



Pall Corporation



Sustainability Report

Fiscal Year 2011



Better Lives. Better Planet.SM

About This Sustainability Report

The reporting of Pall Corporation's sustainability strategies and programs is based on a disciplined process of setting clear objectives and measuring our progress. We recognize the need to communicate quantifiable metrics and targets, in particular as they relate to our environmental and economic impact. We also report on various initiatives and our progress from year to year. Pall relies on a variety of external standards to guide us through this process.

Pall Corporation strives to improve continuously and be transparent in our reporting practices. We invite you along on our journey as we help to build a safer, greener future.

This report reflects Pall's global operations and its subsidiaries for Fiscal Year 2011 (ended July 31, 2011) or Calendar Year 2011, unless otherwise noted.

All currency is stated in U.S. Dollars.

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A Cleaner Technology.

Pall's Core Values

Our core values shape the culture and define the character of Pall Corporation. They influence behavior and the decisions we make. Not just words on a page, they exist to guide our actions everyday.

- **Customers First** is not a slogan; it is how we treat them.
- We strive to be the **Most Agile** to meet customer needs before others do.
- Our stakeholder relationships are all built upon **Mutual Respect**.
- The success of Pall Corporation depends on a culture of personal responsibility and **Full Accountability**
- And finally, **Absolute Integrity** is the cornerstone of our company and the rule for how we do business.

Company Profile

Pall Corporation solves complex filtration, separation, purification and contamination control problems for diverse customers around the world. These solutions enable companies, industrial and health care enterprises, and municipalities to ensure the purity of water and food; to engineer lifesaving vaccines and biotechnology drugs; to help protect patients and caregivers; and to develop fluid management innovations for almost every manufacturing process. Our enabling technologies help make good products better, safer and even possible.

Sophisticated filtration systems are widely used by manufacturers, hospitals, laboratories, aircraft operators, energy producers and municipal water suppliers. The global filtration market is being 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.

Pall is much more than a filter company. We have been called “the original clean technology company” since many of our products deliver sustainable social benefits. Our wealth of scientific knowledge, deep applications experience and vast portfolio of proprietary core materials give us unmatched capabilities to help customers be more successful, and to help enable a safer, greener, more sustainable future for everyone.

To learn more about Pall, please visit our website at www.pall.com/green or follow us on twitter @pallcorporation.



FY 2011 Financial Highlights

| <i>(In millions, except for per share data)</i> | 2011 | 2010 |
|---|------------------|-----------|
| Net sales | \$2,740.9 | \$2,401.9 |
| Cost of sales | 1,368.4 | 1,195.8 |
| Gross profit | 1,372.5 | 1,206.1 |
| Selling, general & administrative expenses | 813.5 | 739.9 |
| Research and development | 86.8 | 75.0 |
| Restructuring & other charges (ROTC), net | 33.8 | 17.7 |
| Interest expense, net ^(a) | 18.9 | 14.3 |
| Loss on extinguishment of debt ^(a) | – | 31.5 |
| Earnings before income taxes | 419.5 | 327.7 |
| Provision for income taxes | 104.0 | 86.5 |
| Net earnings | \$315.5 | \$241.2 |
| Earnings per share: Basic | \$2.71 | \$2.05 |
| Diluted | \$2.67 | \$2.03 |

(a) Refer to Note 8, Notes Payable and Long-term Debt, in the consolidated financial statements in Form 10-K for FY 2011

Corporate Governance and Ethics

Pall Corporation's Board of Directors is committed to monitoring the effectiveness of policy and decision-making, both at the Board and management level, with a view to enhancing shareholder value over the long term while keeping in mind the best interests of our employees and the communities in which Pall operates.

Our company has always been committed to conducting our business with integrity, in accordance with the highest ethical standards, and in compliance with applicable laws and regulations. We understand that how we conduct business and treat others – our employees, customers, suppliers, and communities – determines how the world views us.

Whether working as individuals within the company, or as a company within the global community, we are guided by our principles of ethical behavior. Those principles are embodied in Pall's Code of Ethical Behavior, which applies to all

employees, directors, and all others when acting for Pall Corporation, its subsidiaries and divisions.

Pall's outstanding reputation in the marketplace and community flows from our steadfast commitment to "do the right thing." To safeguard that reputation, we have instituted a mandatory, global program of compliance training for all Pall employees. The training covers a wide range of business ethics and compliance subjects, tailored to the needs of our employees and monitored by management.

As part of the company's overall compliance efforts, we have established local toll free AlertLine numbers in every location where we operate (where allowed by law). Questions may be asked or concerns reported anonymously, and they are taken seriously. Reported concerns are investigated and corrective action is taken where appropriate.

www.pall.com/governance

A Greener World.

Our Commitment to Sustainability

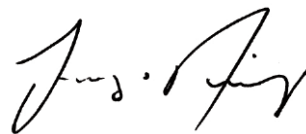
As a global market leader in fluid management, we thrive on helping customers protect people, the environment and our natural resources. Often called the original clean technology company, Pall is implementing innovations that purify and conserve water, consume less energy, make alternative energy possible, advance medicine, and minimize emissions and waste. We are dedicated to helping customers minimize their carbon footprints, maximize recycling and waste reduction efforts, and ensure the most efficient utilization of natural resources and raw materials. We are applying the same know-how and dedication to our own operations.

Pall's approach to environmental stewardship is proactive and anchored in a culture of continuous improvement. We team with customers in ways specific to their industries, providing them with technologically superior products and engineered process solutions that improve and strengthen their businesses while reducing their environmental impacts.

The same is true in our own business. We have adopted ambitious goals to continuously improve Pall's environmental profile, both for the near- and the long-term. We exceeded key benchmarks at the end of fiscal year 2010 and further challenged our teams to set and achieve new goals for 2013.

Pall is also integrating environmental sustainability metrics into our business. We do this by using globally accepted greenhouse gas and life cycle assessment protocols to measure and manage greenhouse gas emissions.

Committees at Pall facilities are set up to oversee on-site programs in order to identify and implement strategies to achieve our sustainability goals. Best practices are benchmarked and shared among our manufacturing facilities worldwide. Some of the steps we are taking to accomplish these sustainability goals are discussed in the following pages. We encourage you to visit our website at www.pall.com/green for continuing updates on progress, as well as for information about other initiatives.



Larry Kingsley
President and Chief Executive Officer



A Healthier Environment.

Getting Greener All the Time

Embedded in Pall's business philosophy is a culture of continuous improvement. This is the foundation of our commitment to customers and also applies to our environmental stewardship. From the benchmarking of goals to the transference of best practices, Pall's unwillingness to accept the status quo is the engine that drives our success.

In fiscal year 2010 we achieved sustainability goals established in 2008 to reduce waste, utilities and greenhouse gas

emissions by 10 percent. Our executive team established new and aggressive goals for 2013, and in 2011 we are well on our way to meeting these goals.

FY 2013 Goals

- Reduce VOC Emissions by 5%
- Reduce Utilities Usage Intensity by 20%
- Increase Reuse/Recycling Intensity by 16%
- Reduce Waste Intensity by 20%
- Reduce GHG Emissions Intensity by 18%

Indexed Data Summary

| | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | Percent Change FY06-11 |
|--|---------|---------|---------|---------|---------|---------|------------------------|
| Energy (MJ/\$ Net Sales) | 0.62 | 0.54 | 0.55 | 0.65 | 0.59 | 0.53 | -15.32% |
| Water* (Mgal/\$M Net Sales) | 0.21 | 0.20 | 0.18 | 0.17 | 0.18 | 0.16 | -24.19% |
| Recycling (Ton/\$M Net Sales) | 2.29 | 2.56 | 2.98 | 2.98 | 2.58 | 3.24 | +41.58% |
| Waste (Ton/\$M Net Sales) | 7.56 | 8.16 | 7.26 | 5.82 | 6.44 | 6.21 | -17.79% |
| GHG (kg CO ₂ e/\$ Net Sales) | 0.072 | 0.065 | 0.060 | 0.064 | 0.062 | 0.054 | -24.09% |
| Net Sales (In Millions) | \$2,017 | \$2,250 | \$2,572 | \$2,329 | \$2,402 | \$2,741 | |

* Indexed values are based on revised water use figures for FY06-FY10

Meeting International Environmental Standards

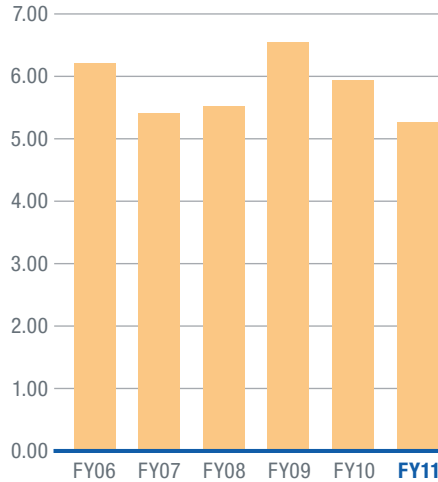
ISO 14001 is the international standard for environmental management systems. Worldwide, nearly 100% of Pall's manufacturing operations have achieved ISO 14001 certification.* The program has helped Pall minimize environmental impact, improve compliance and reduce both risk and costs.

Pall's manufacturing operations comprise about 70% of the company's total square footage of leased or owned properties.

* excludes only the most recent acquisitions not yet converted.

A Smaller Footprint.

Energy Intensity
(MJ/\$ Net Sales)



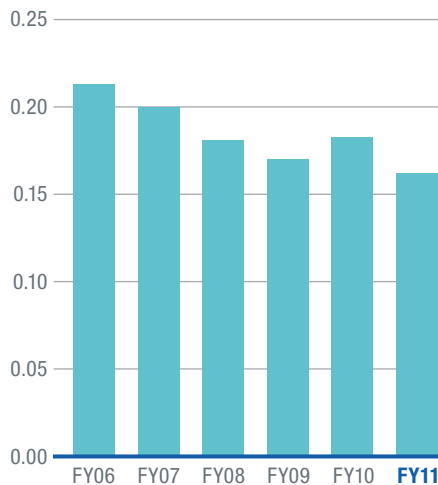
Energy

Pall has implemented a program to continuously improve the energy efficiency of our manufacturing processes. This program results in reduced carbon footprint, conservation of natural resources, and lower costs. Making changes both large and small, we are using energy more wisely across our global operations.

The total amount of energy consumed by our manufacturing and R&D facilities has grown as our business has grown – from 1.25 million megajoules in fiscal year 2006 to 1.44 million megajoules in fiscal year 2011. But our indexed energy ratio – the amount of megajoules used per dollar of net revenue – has improved over 15 percent.

| | FY11 | Change FY06 - FY11 |
|---------------------------------|-----------|--------------------|
| Energy (MJ/\$ Net Sales) | 0.53 | -15.32% |
| Energy (Gigajoules) | 1,441,615 | |

Water Intensity
(Mgal/\$M Net Sales)

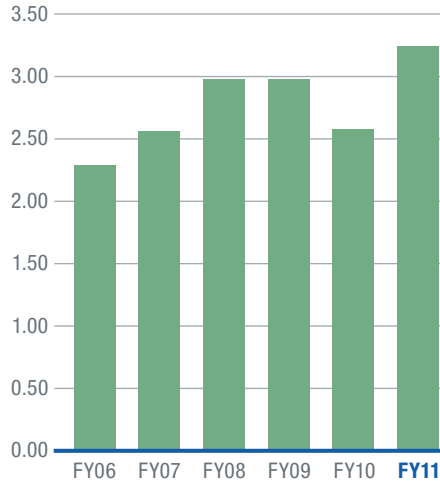


Water

Pall's manufacturing processes are not water intensive, but nonetheless, we consider it our duty to preserve this important resource and reduce our consumption. Since fiscal year 2006 we have reduced our indexed water consumption by over 24 percent. As with all of our efforts, this is a result of projects small and large including reusing gray water for toilet flushing and upgrading to ultrasonic cleaning systems.

| | FY11 | Change FY06 - FY11 |
|-----------------------------------|------|--------------------|
| Water (Mgal/\$M Net Sales) | 0.16 | -24.19% |
| Water (Millions Gallons) | 443 | |

Recycling Intensity
(Tons/\$M Net Sales)



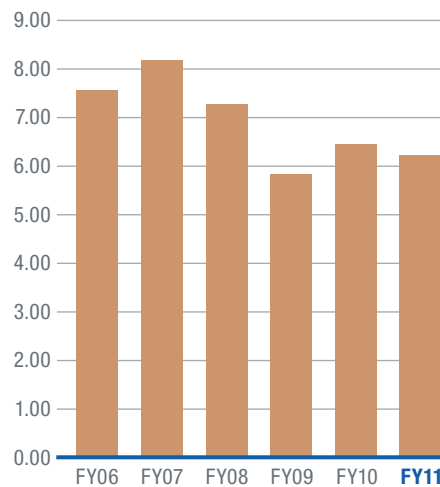
Recycling

Even the smallest recycling efforts, when implemented across Pall's global manufacturing operations, add up to significant reductions; efforts such as:

- Finding recycling opportunities for non-standard materials at Pall Putnam, Connecticut, USA.
- Reducing 2.5 tons annually at Pall Crailshiem, Germany by recycling paper packaging.
- Returning corrugated boxes to vendors at Pall Beijing, China.

| | FY11 | Change FY06-FY11 |
|---------------------------------------|-------|------------------|
| Recycling (Tons/\$M Net Sales) | 3.24 | +41.58% |
| Recycling (Tons) | 8,886 | |

Waste Intensity
(Tons/\$M Net Sales)

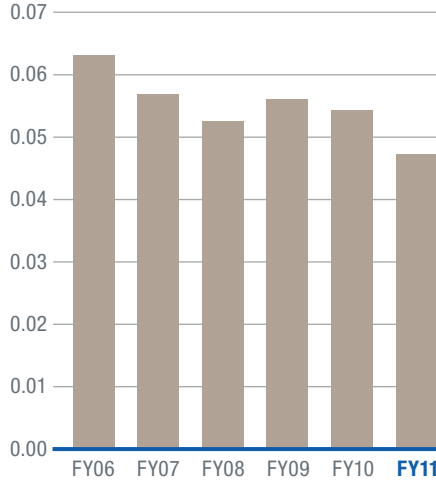


Waste

Reducing waste is the responsibility of every Pall employee. Waste management efforts across our manufacturing operations vary from improving segregation systems for increased recycling to harnessing the skills of our engineers to develop innovative treatment systems to reduce regulated waste streams. Simple changes, like the elimination of paper beverage cups, when implemented across multiple facilities makes a difference. The result is a decrease of over 17 percent in our indexed waste disposal metrics from fiscal year 2006 to fiscal year 2011.

| | FY11 | Change FY06-FY11 |
|-----------------------------------|--------|------------------|
| Waste (Tons/\$M Net Sales) | 6.21 | -17.79% |
| Waste (Tons) | 17,029 | |

GHG Intensity
(kg CO₂e/\$ Net Sales)



Pall “Green Teams” in each manufacturing facility help identify ways to reduce waste. The teams brought their ideas to fruition, with projects ranging from simple recycling programs to sophisticated membrane bioreactors to eliminate hazardous waste streams.



Greenhouse Gases

As with energy consumption, greenhouse gas (GHG) emissions have increased with our growth. However, the reduction in our indexed greenhouse gas ratio moved at a greater pace due to migration to energy sources that produce less greenhouse gas emissions. This resulted in a reduction of our indexed greenhouse gas ratio of 24 percent from fiscal year 2006 to fiscal year 2011.

| | FY11 | Change FY06 - FY11 |
|--|---------|-----------------------|
| GHG (kg CO ₂ e/\$ Net Sales) | 0.054 | -24.09% |
| GHG (Metric Tonnes CO ₂ e) | 149,249 | |

Reducing Our Carbon Footprint

Pall is a recognized leader in the UK Carbon Reduction Commitment (CRC)* and has been a proud contributor to the Carbon Disclosure Project since 2008. In that year Pall joined with many other companies in this global initiative to inventory GHG emissions and evaluate the risks and opportunities from climate change on business operations. Our annual GHG inventory provides important baseline information that is used to make informed and effective policy decisions to reduce Pall’s carbon footprint.

* The UK CRC is a program by the UK Government requiring all companies with carbon emissions to participate in carbon emission reduction programs and develop and report carbon inventories.

A Sustainable Future.

Life Cycle Assessments

Pall continued its efforts to assess the carbon footprint of our products using the most current protocols for Life Cycle Assessment (LCA) to evaluate the environmental impact. Our product LCA's start when raw materials are extracted from the earth or otherwise produced. The cycle continues with manufacturing, transport and customer use and ends with final disposal/recycling (if data is available). At every stage of the life cycle there are emissions and consumption of resources. Pall also uses the LCA process to collect material and energy information to help us identify where we can make product improvements.

Greener Packaging

Supporting Pall Corporation's environmental policy and environmental stewardship, a manufacturing plan has been implemented to change the outer liner on product boxes from bleached white to unbleached brown. This change eliminates the hazardous effluent resulting from bleaching processes, and reduces energy and water consumption.



The implementation began in August 2011 and will be substantially completed within 12 months. All of our main manufacturing sites are involved.

This change only affects the color of the outer liner of our product boxes. There is no change to the box performance and labeling or to the products delivered in the unbleached brown boxes.

Alternative Energy

Pall's Buccinasco, Italy facility, already an example of green building techniques, went a step further in fiscal year 2011 by installing a photovoltaic system that will produce at least 10 percent of the total annual electricity



needed for the facility's operations. The panels were installed above the roof and are an attractive addition to the building.

The system produces over 130,000 kW per year – which is equivalent to the annual electricity consumption of 25 Italian residents.

Reducing Non-Essential Employee Travel

Pall is using the latest technology to keep our employee teams connected while reducing non-essential travel. Video conferencing systems have been installed throughout our manufacturing operations and are being used for routine meetings and employee training. This technology reduces greenhouse gas emissions and expenses, and improves morale by allowing employees to spend more time at home with family and friends instead of traveling.

A Total Strategy.

How Pall is Helping Customers

Here is just a small sampling of the environmental solutions we provide to help customers solve their complex contamination, separation, purification and detection challenges.

Protect the Environment

- Minimize emissions and waste
- Treat wastewater
- Meet environmental regulations
- Monitor air quality
- Monitor water quality
- Treat contaminated ground water

Conserve Energy and Resources

- Recycle water
- Enable clean, sustainable alternative energy sources
- Increase fuel efficiency
- Maximize life and yield of chemicals
- Reduce chemical consumption
- Reduce volume of raw materials
- Reduce manufacturing footprint and environmental impact
- Reduce equipment downtime

Protect Customers, Patients and Employees

- Detect and prevent food-borne illnesses
- Prevent and treat dangerous diseases
- Reduce risk of hospital-acquired infections
- Ensure the purity of pharmaceuticals
- Purify water for drinking
- Protect the food supply
- Purify vehicle and aircraft cabin and engine air
- Reduce operator exposure to harmful contaminants

www.pall.com/green



A Higher Standard.

Caring for Our Communities

Pall Corporation believes in supporting and enriching the overall environment and the communities in which we operate. This benefits our host communities and fosters a sense of pride and corporate responsibility for our shareholders and employees. It makes Pall a more attractive employer and improves our relationships with local government.

Pall may donate capital, services, volunteer time and products. Amounts vary according to the need of the organization and the level of support determined appropriate by Pall.

Pall receives many more requests for donations than we can support. A decision to decline a request does not imply that the applicant's program is not needed or valued, but simply that it does not fall within our giving guidelines or priorities, or that resources are not available.

www.pall.com/policies

Employee Health & Safety

Talented, dedicated people are what help make a world-class company. We strive to attract, retain and develop the best talent and provide meaningful opportunities for professional growth and success. Protecting what is our most valuable resource is our number one concern.

We have set rigorous standards for safety and vigorously assess the effectiveness of those standards in protecting our workforce. All Pall employees from top management to line employees share this commitment. The management of each operating unit is responsible for cultivating a "safety-first" attitude and of ensuring compliance with all health & safety regulations and policies. Pall Corporation strives for the following:

- A culture that makes the safety of our employees, customers, and communities our highest priority, that sets rigorous standards for safety excellence and that is open to vigorous self-assessment of our progress and effectiveness.
- A work environment where known safety hazards will be eliminated or safeguarded, and where employees expect to be safe and injury-free.
- Training and education for all employees that make safe production the core of every task they perform.
- A workforce made up of people who take responsibility for their personal safety, the safety of their fellow employees, and the communities we serve.

Because of the efforts put forth by all of our employees, we have reduced our Recordable Incident Rate by 7.5% since fiscal year 2010.



Equal Opportunity

Pall Corporation follows a policy of equal employment opportunity for all qualified individuals without discrimination due to race, color, religion, sex, sexual orientation or preference, gender identity, age, marital status, national origin, citizenship, disability, veteran or military status or any basis prohibited by law. Underscoring this policy is a strong concern for employees' dignity and well-being and our commitment to provide for a safe, productive and professional work environment.

Every effort is made to assure that our policies regarding hiring; salary administration, promotion and transfer are based solely on job requirements, performance and related criteria. In addition, our personnel policies and practices – including those related to compensation, benefits, transfer, retention, termination, training, self-development opportunities, as well as social and recreational programs – are administered without discrimination or any basis prohibited by law.

Pall Corporation has established Affirmative Action Plans to promote equal opportunity. Our continued success in these programs depends on the commitment and involvement of those directly responsible for their implementation and the dedication of all our employees. Assuring equal opportunity is a fundamental and direct responsibility of all levels of management.



A Recognized Leader.

Business Recognition



NYSE

(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

(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/magazines/fortune>



S&P 500

(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

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>



GreenRankings

(October 2011) The Green Rankings comprehensively assess the environmental performance of the largest publicly traded companies in America and around the world. This project is the first effort by a major media organization to rank companies based on their actual environmental footprint, management of that footprint, and sustainability communications. The rankings provide a reliable, cross-industry framework for comparing the environmental commitment and performance of major companies.

<http://www.thedailybeast.com/topics/green-rankings.html>



Carbon Disclosure Project

(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>

Environmental Recognition *(continued)*

ENVIRONMENT AGENCY

Carbon Reduction Commitment (CRC) Ranking

(November 2011) Pall Manufacturing UK Limited ranked in the top 5 percent of the Environment Agency's first annual CRC Performance League Table (PLT). Pall ranked 103 out of more than 2,000 United Kingdom companies. The PLT ranks the relative performance of organizations participating in the CRC energy efficiency program.
<http://www.environment-agency.gov.uk/business/topics/pollution/134754.aspx>

CLEANTECH INDEX

Cleantech Index

(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

(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>

Technology Recognition



Engineering Materials Achievement Award

(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. Previous winners include DuPont for aramid fiber, IBM for magnetic recording media, and AT&T Bell Labs for transoceanic optical fiber systems.
<http://www.asminternational.org>



National Inventors Hall of Fame

(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

(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>



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ENABLING A
GREENER
FUTURE™

To see how Pall is helping enable a greener, safer and more sustainable future, visit www.pall.com/green.

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