



**Everywhere We Look
We See Opportunity.**



Fiscal 2008 Fourth Quarter and Year End Results
September 16, 2008

Forward-Looking Statements

The matters discussed in this release contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Results for 2008 are preliminary until the Company's Form 10-K is filed with the Securities and Exchange Commission on or before September 29, 2008.

Forward-looking statements contained in this release and in the Company's 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. 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. In some cases forward looking statements can be identified by the use of terms such as "anticipate", "should", "believe", "estimate", "expect", "intend", "plan", "predict", "potential", or other similar expressions concerning matters that are not historical facts. Such risks and uncertainties include, but are not limited to: risks relating to the Company's restatement of prior period financial statements, including the risks associated with the pending IRS audit and pending SEC and Department of Justice investigations and litigation proceedings; risks associated with the Company's planned cash management initiatives, which may result in changes in the Company's effective tax rate; changes in product mix and product pricing may affect the Company's operating results particularly as the systems business expands in which significantly longer sales cycles are experienced with less predictable revenue and profitability and less certainty of future revenue streams from related consumable product offerings and services; increases in costs of manufacturing and operating costs, including energy and raw materials; the Company's ability to achieve the savings anticipated from its cost reduction and margin improvement initiatives including the timing of completion of its facilities rationalization initiative; fluctuations in foreign currency exchange rates and interest rates; regulatory approval or market acceptance of new technologies; changes in demand for the Company's products and business relationships with key customers and suppliers including delays or cancellations in shipments; success in enforcing patents and protecting proprietary products and manufacturing techniques; risks associated with the completion or integration of acquisitions; domestic and international competition; and global and regional economic conditions, including particularly the impact of current challenging conditions in the United States that may also have global implications; and legislative, regulatory and political developments. The Company makes these statements as of the date of this disclosure and expressly disclaims any obligation to update them. You should carefully consider these factors as well as the additional risk factors outlined in more detail in our most recent Annual Report on Form 10-K under Item 1A, Risk Factors, and in other filings the Company makes with the Securities and Exchange Commission.

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 Pall'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.



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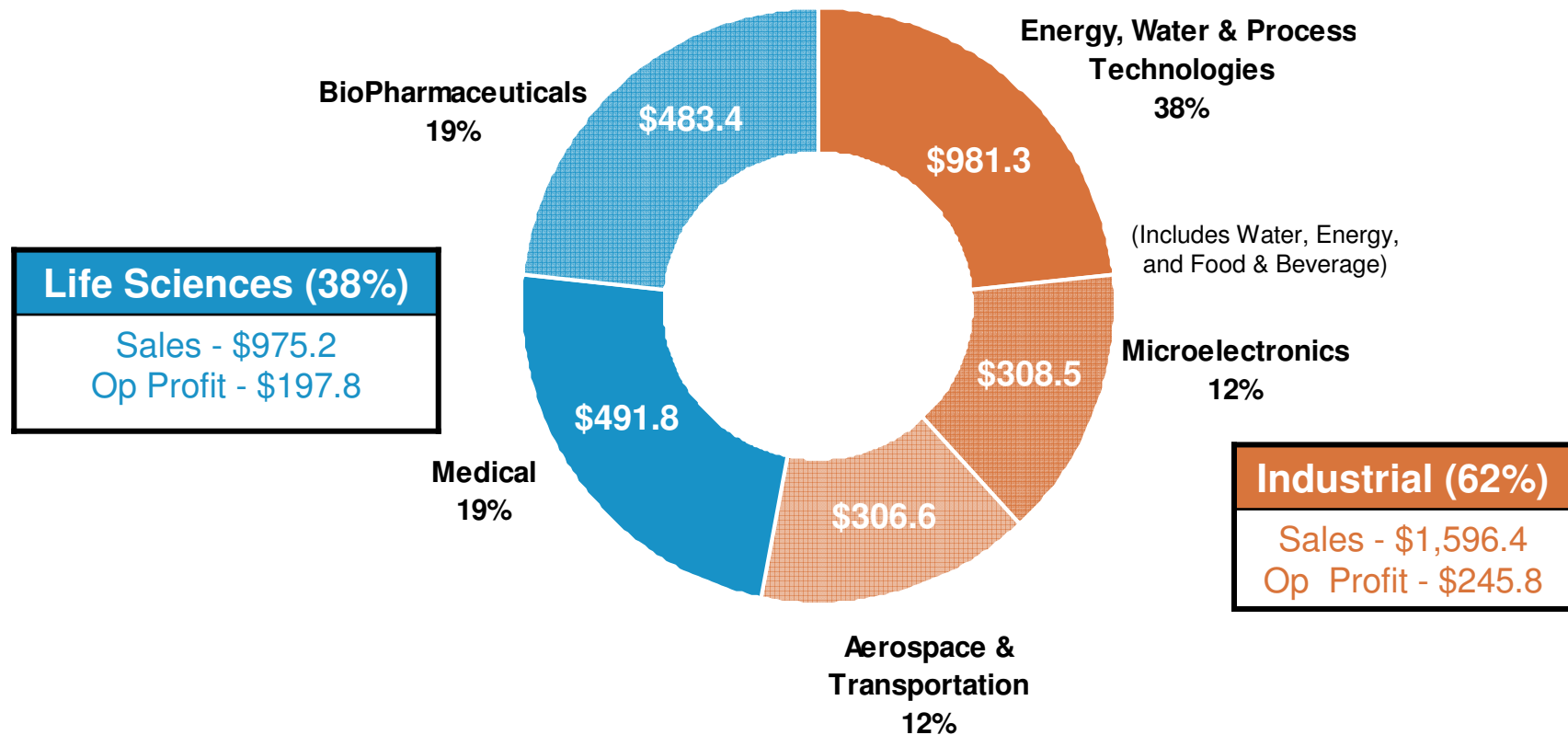


Fiscal 2008 Fourth Quarter and Year End Business Overview

Eric Krasnoff, Chairman & Chief Executive Officer

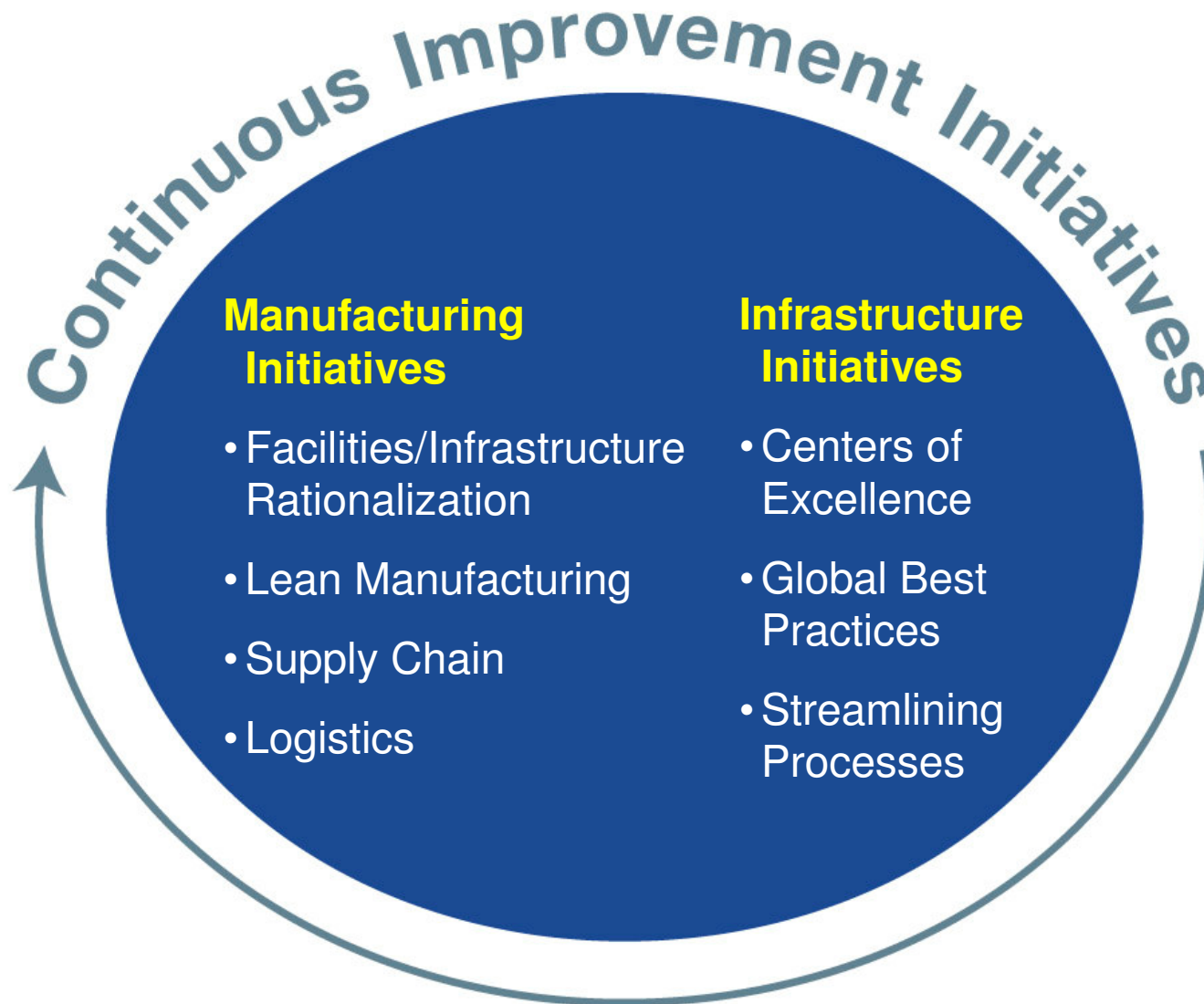
A Balanced Portfolio of Diversified Filtration Markets

FY 2008 Total Sales \$2,571.6
(amounts shown in millions)



Diversified Markets Optimize Growth Opportunities, Mitigate Risks

Strategies for Sustainable, Profitable Growth – Operational Excellence



Strategies For Sustainable, Profitable Growth – Increasing Market Share

- Complete, Standard Solutions Through Total Fluid ManagementSM Strategy
- Utilizing Both Organic and Acquired Technologies
- Local Geographic Service and Support
- Technological Leadership



*Providing Customers With Solutions
For Their Toughest Fluid Management Challenges*

Strategies For Sustainable, Profitable Growth – Acquisition

- Rapid, PCR Based Pathogen Detection Methods
- Serving the Biopharmaceutical, Medical, Food and Water Safety Markets
- Fast Becoming the Standard for Detecting *Legionella* in France

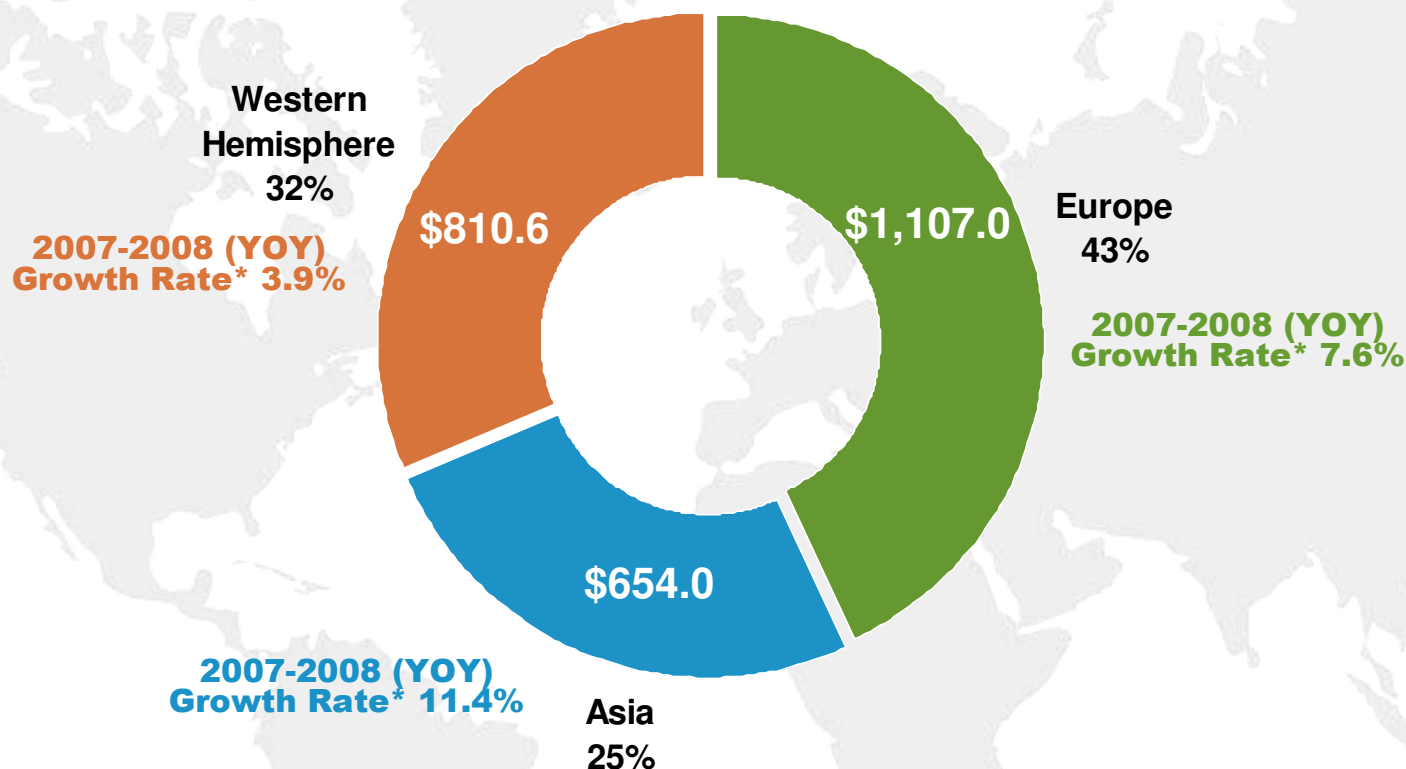


GeneDisc

Providing the microbiological controls required for the safety of patients and products.

A Broad, Balanced Geographical Presence

FY 2008 Total Sales \$2,571.6
(amounts shown in millions)



Capitalizing On New Markets For Pall Products In High-Growth Regions – Latin America, Asia & Eastern Europe

*Growth rates in local currency

Select Market Highlights



Biotechnology

- BioPharmaceuticals delivered strong growth at 10.8% for FY 2008



Energy

- General Industrial is renamed Energy, Water and Process Technologies—With FY 2008 sales growth of 10.6%



Next
Generation
Aircraft

- Aerospace & Transportation Market Sales increased 14.7% in FY 2008

(Growth rates in local currency)



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Fiscal 2008 Fourth Quarter and Year End Financial Highlights

Lisa McDermott, Chief Financial Officer & Treasurer

Net Earnings Recap

For the Quarter

- Net earnings were \$69.9 million vs. \$16.8 million quarter over quarter
- Reported EPS of 57¢ vs. 13¢ quarter over quarter
- Pro Forma EPS of 61¢ vs. 46¢ quarter over quarter

For the Full Year

- Net earnings were \$217.3 million vs. \$127.5 million year over year
- Reported EPS of \$1.76 vs. \$1.02 year over year
- Pro Forma EPS of \$1.97 vs. \$1.48 year over year

Fiscal 2008 Fourth Quarter Comparative Income Statements

<i>(in millions, except EPS data)</i>	Q4 '08	%	Q4 '07	%
Net sales	\$ 723		\$ 646	
Cost of sales	385	53.2	344	53.3
Gross profit	338	46.8	302	46.7
SG&A	204	28.2	182	28.1
R&D	18	2.5	17	2.7
Earnings before interest, ROTC and taxes	116	16.0	103	15.9
Net interest	7	0.9	10	1.5
Restructuring & other charges, net (ROTC)	3		-	
Earnings before taxes	106	14.6	93	14.4
Income taxes	36	33.8 *	76	82.0 *
Net earnings	\$ 70	9.7	\$ 17	2.6
Diluted EPS	\$ 0.57		\$ 0.13	
Pro forma diluted EPS	\$ 0.61		\$ 0.46	

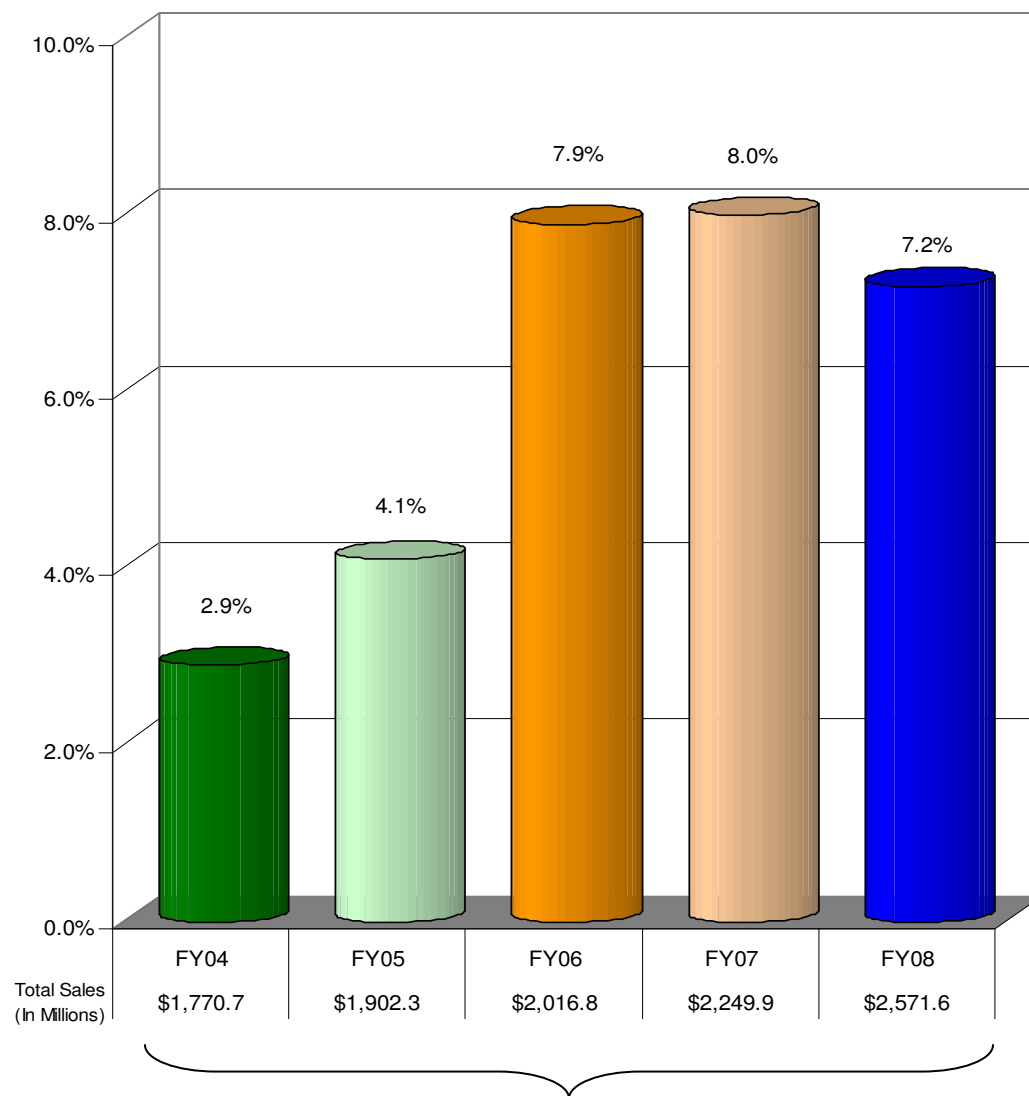
* *Effective Tax Rate*

Fiscal 2008 Twelve Months Comparative Income Statements

<i>(in millions, except EPS data)</i>	FY '08	%	FY '07	%
Net sales	\$ 2,572		\$ 2,250	
Cost of sales	1,361	52.9	1,191	52.9
Gross profit	1,211	47.1	1,059	47.1
SG&A	749	29.1	675	30.0
R&D	72	2.8	62	2.8
Earnings before interest, ROTC and taxes	390	15.2	322	14.3
Net interest	33	1.3	39	1.7
Restructuring & other charges, net (ROTC)	32		23	
Earnings before taxes	325	12.7	260	11.6
Income taxes	108	33.3 *	133	51.1 *
Net earnings	\$ 217	8.4	\$ 127	5.7
Diluted EPS	\$ 1.76		\$ 1.02	
Pro forma diluted EPS	\$ 1.97		\$ 1.48	

* *Effective Tax Rate*

Sales CAGR – Total Pall

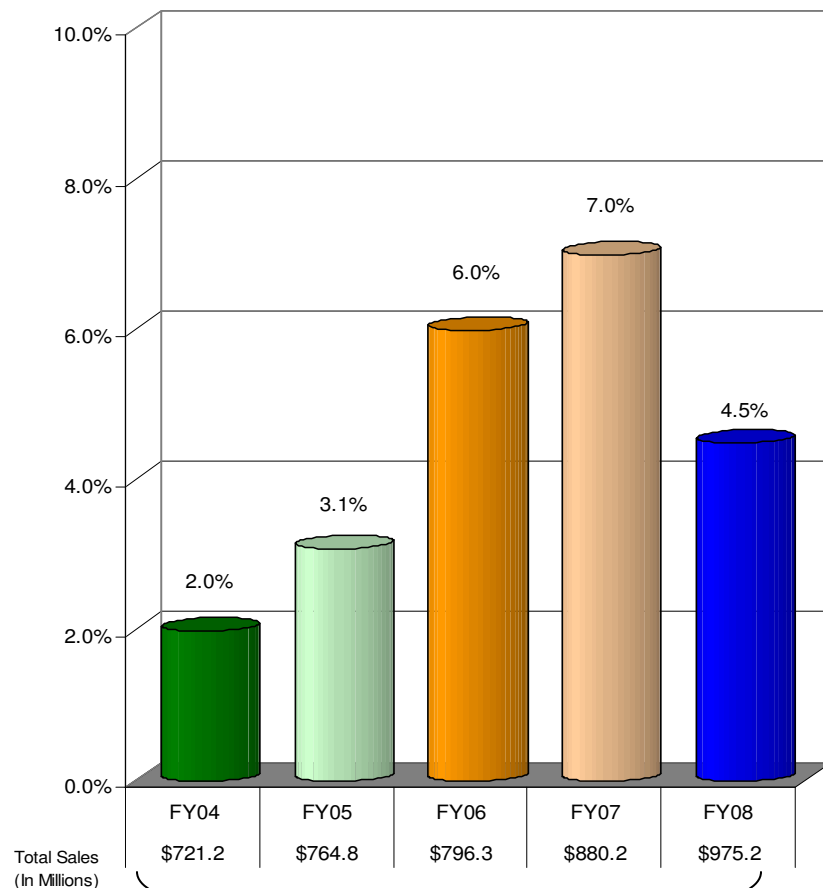


FY04 through FY08

Sales CAGR: 7.0%

Sales CAGR - Life Sciences and Industrial

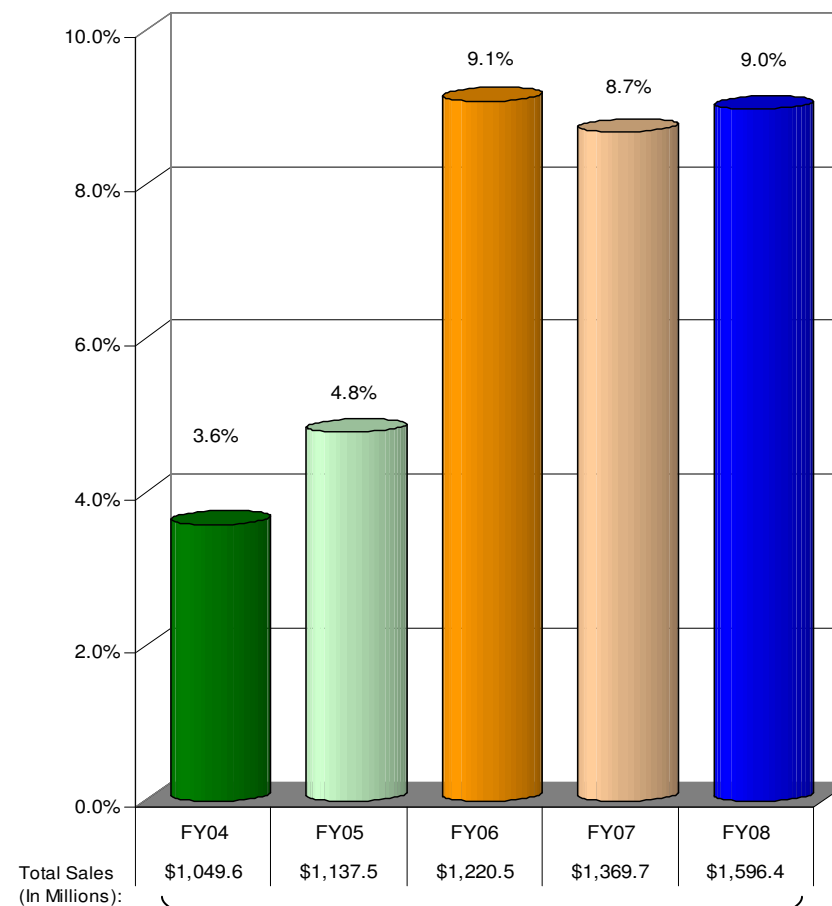
Life Sciences



FY04 through FY08

Sales CAGR: 5.2%

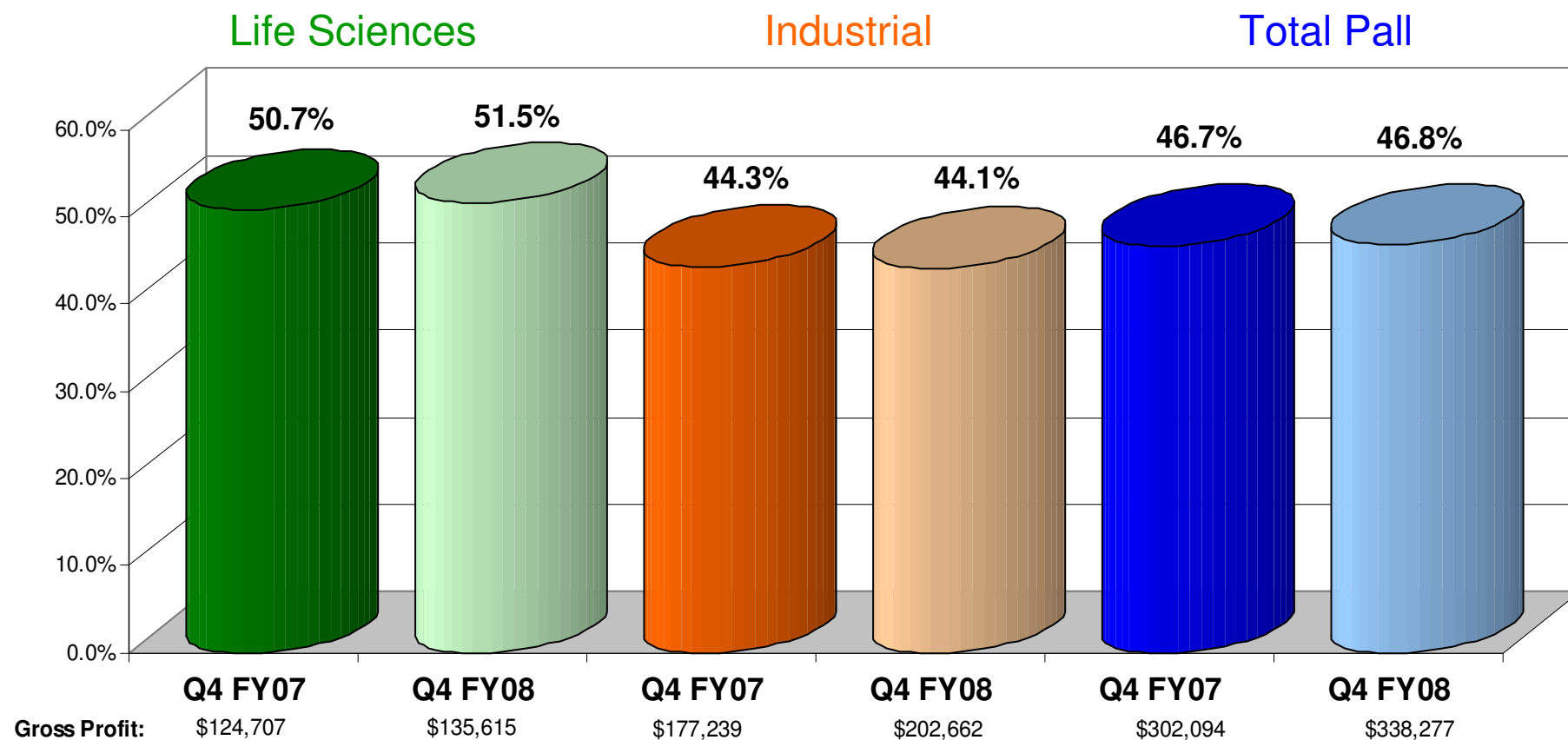
Industrial



FY04 through FY08

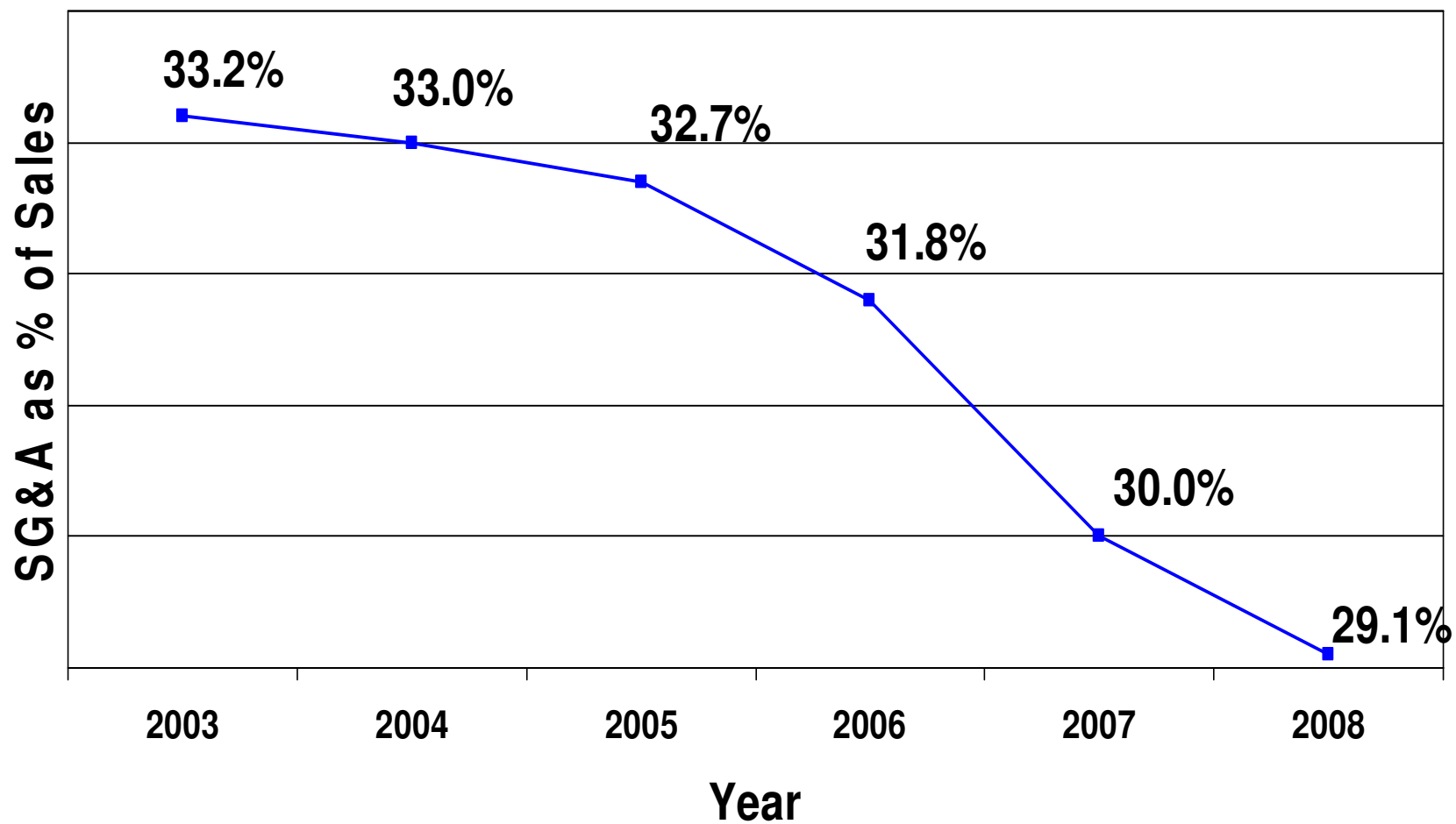
Sales CAGR: 8.1%

Fourth Quarter Gross Margin %



(in thousands)

SG&A



Liquidity and Working Capital

(\$ amounts in millions)

	YTD FY2008	YTD FY2007
CapEx	\$ 124	\$ 98
Depreciation/Amortization	\$ 93	\$ 94
EBITDA	\$ 451	\$ 394
DSO (Net A/R)	73	74
Inventory Turns	2.7	2.7

FY2009 Outlook

- Total Sales between 5% and 6 ½%
- Gross Margins of about 48 ½%
- Operating Margins (EBIT) in the range of 15 ½% to 16%
- Earnings Per Share in the range of \$2.15 to \$2.30*
- Operating Cash flow between \$380 to \$410 million
- DSO Improvement of 2-3 Days

* *Excludes items classified as Restructuring and Other Charges.*

Appendix: Fiscal 2008 Fourth Quarter and Full Year Reconciliation of As Reported to Pro Forma EPS

<i>4th Quarter</i>	Q4 FY08	Q4 FY07
Diluted EPS as reported	\$ 0.57	\$ 0.13
ROTC and one-time purchase accounting adjustment, after pro forma tax effect	0.02	0.01
Tax adjustments	0.02	0.32
Pro forma diluted EPS	\$ 0.61	\$ 0.46

<i>Full Year</i>	FY08	FY07
Diluted EPS as reported	\$ 1.76	\$ 1.02
ROTC and one-time purchase accounting adjustment, after pro forma tax effect	0.17	0.14
Tax adjustments	0.04	0.32
Pro forma diluted EPS	\$ 1.97	\$ 1.48

Appendix: Reconciliation of the Full Year Pro Forma to As Reported Numbers

<i>(amounts in millions)</i>	FY 2008	FY 2007	FY 2008 Estimated Impact of FX	FY 2008 Estimate Excluding FX	% Change Excluding FX
Sales	\$ 2,571.6	\$ 2,249.9	\$ 159.1	\$ 2,412.5	7.2%
SG&A	\$ 749.5	\$ 675.0	\$ 41.7	\$ 707.8	4.9%
EBIT	\$ 389.7	\$ 321.9	\$ 25.8	\$ 363.9	13.0%

Operating Profit (in millions)	FY 2008	FY 2007
Life Sciences operating profit	\$ 197.8	\$ 165.3
Industrial operating profit	\$ 245.8	\$ 204.1
Total operating profit	\$ 443.6	\$ 369.4
General corporate expenses	\$ (54.0)	\$ (44.7)
Earnings before ROTC, earnings & income taxes (a)	\$ 389.6	\$ 324.7
ROTC (a)	\$ (31.5)	\$ (25.1)
Earnings before interest & income taxes	\$ 358.1	\$ 299.6
<u>Exclude:</u>		
Depreciation & Amortization	\$ 93.2	\$ 94.0
EBITDA	\$ 451.3	\$ 393.6

(a) Included in ROTC for the purpose of evaluation of segment profitability are incremental depreciation and other adjustments recorded in cost of sales of \$2,745 in the year ended July 31, 2007 primarily recorded in conjunction with the Company's facilities rationalization initiative.



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Q&A