



Our Mission Is Clear



Fourth Quarter Fiscal 2010 Sales and Earnings

Eric Krasnoff
Chairman, CEO & President
September 15, 2010

Sustainable, Profitable Growth

Forward-Looking Statements

The matters discussed in this presentation contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Results for fiscal year 2010 are preliminary until the Company's Form 10-K is filed with the Securities and Exchange Commission on or before September 29, 2010.

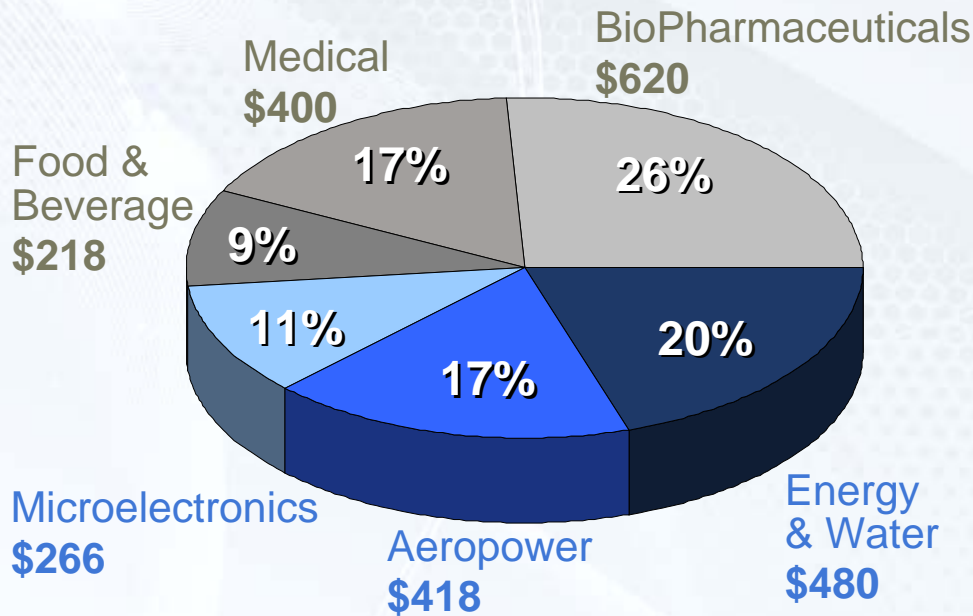
Forward-looking statements are those that address activities, events or developments that the Company or management intends, expects, projects, believes or anticipates will or may occur in the future. All statements regarding future performance, earnings projections, earnings guidance, management's expectations about its future cash needs 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 the light of past experience and trends, current conditions, expected future developments and other relevant factors. They are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by our forward-looking statements. Our forward-looking statements are also subject to risks and uncertainties, which can affect our performance in both the near- and long-term and 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 effect of litigation and regulatory inquiries associated with the restatement of our prior period financial statements; our ability to successfully complete our business improvement initiatives, which include integrating and upgrading our information systems and the effect of a serious disruption in our information systems; the impact of legislative, regulatory and political developments globally and the impact of the uncertain global economic environment and the timing and strength of a recovery in the markets and regions we serve, and the extent to which adverse economic conditions may 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, as well as delays or cancellations in shipments; volatility in foreign currency exchange rates, interest rates and energy costs and other macro economic challenges currently affecting us; changes in product mix, market mix and product pricing, particularly relating to the expansion of the systems business; increase in costs of manufacturing and operating costs; our ability to obtain regulatory approval or market acceptance of new technologies, enforce patents and protect proprietary products and manufacturing techniques; fluctuations in our effective tax rate; our ability to successfully complete or integrate any acquisitions; the impact of pricing and other actions by competitors; and our ability to achieve the savings anticipated from cost reduction and gross margin improvement initiatives. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us 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.

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. Discussion of sales and orders growth percentages are in local currency (i.e., had exchange rates not changed year over year) unless otherwise indicated. Company management considers local currency change to be an important measure because by excluding the impact of volatility of exchange rates, underlying volume change is clearer. Reconciliations of the non-GAAP financial measures used in this presentation to the most directly comparable GAAP measures appear at the end of this presentation in the Appendix and are also available on Pall's website at www.pall.com/investor.

Full Year Fiscal 2010 Sales

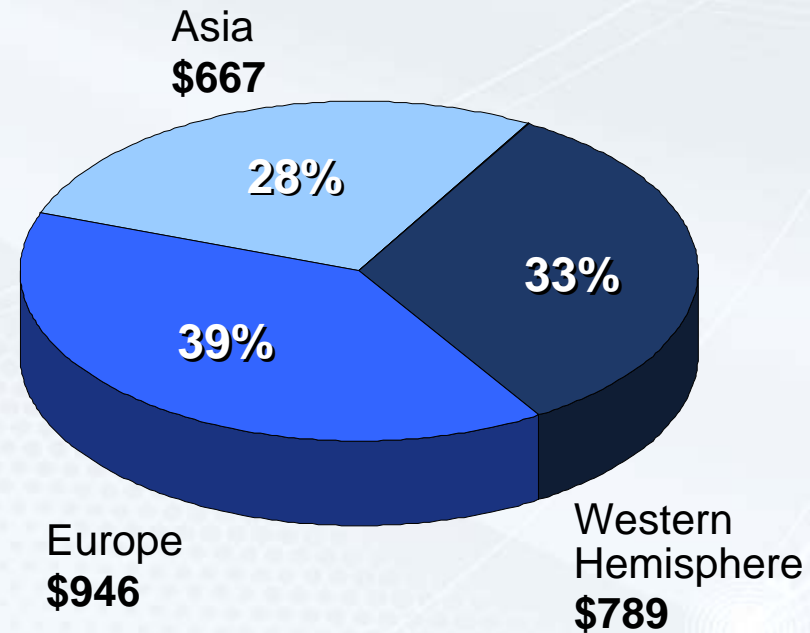
Sales By Market

Life Sciences \$1,238



Industrial \$1,164

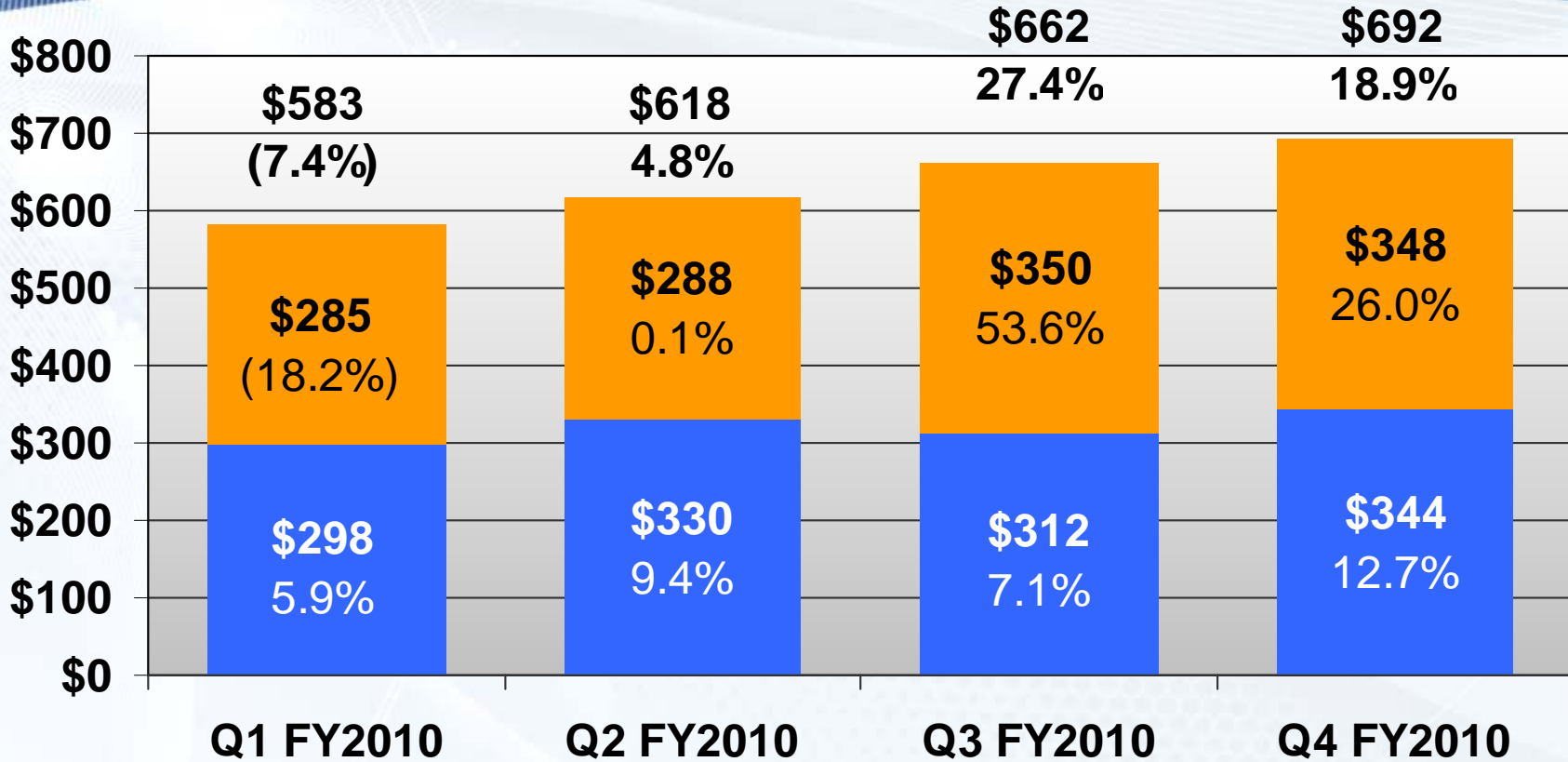
Sales By Geography



Pall Total Sales: \$2,402

(\$ in millions)

Fiscal 2010 Orders by Quarter

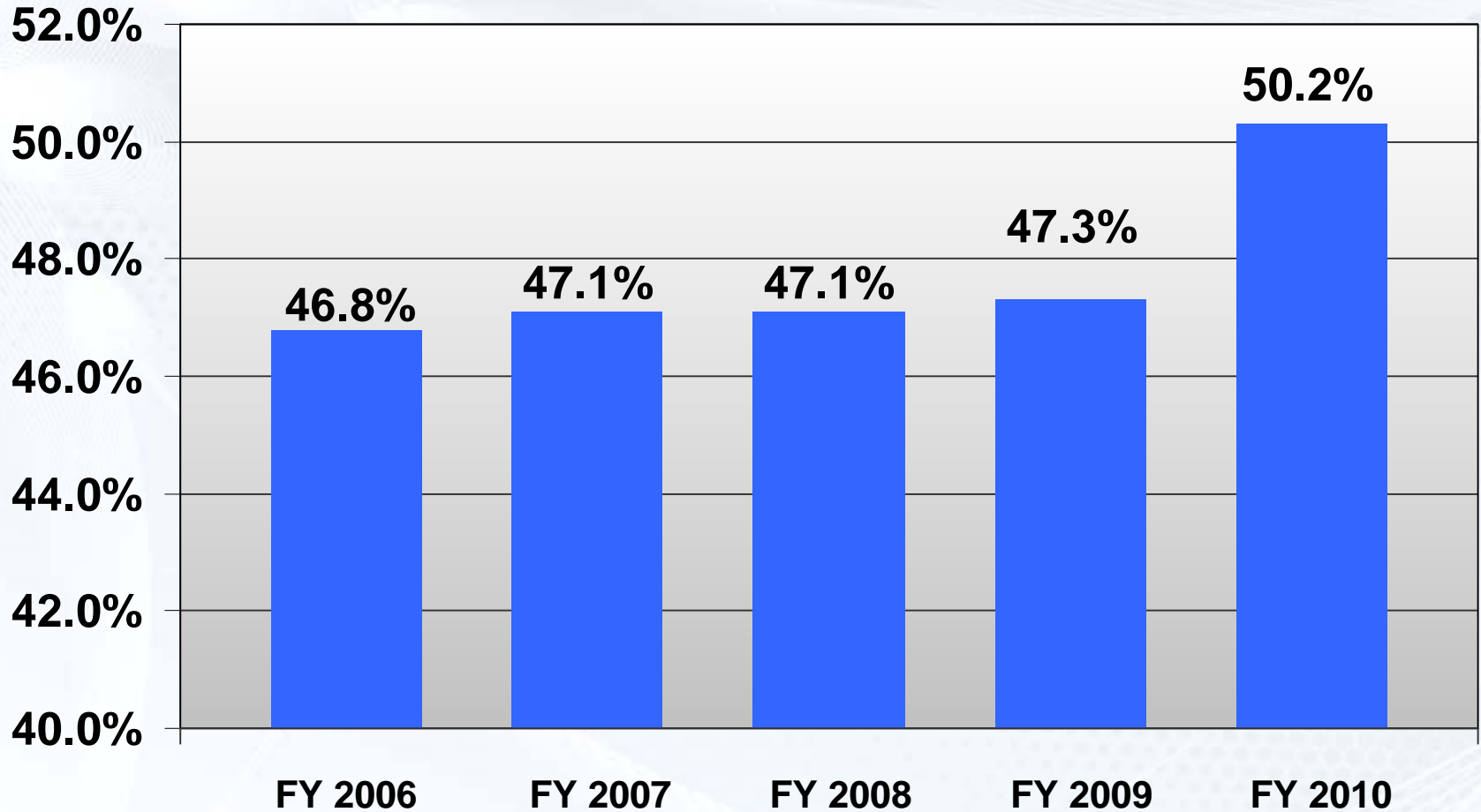


(\$ in millions,
% changes in Local Currency)

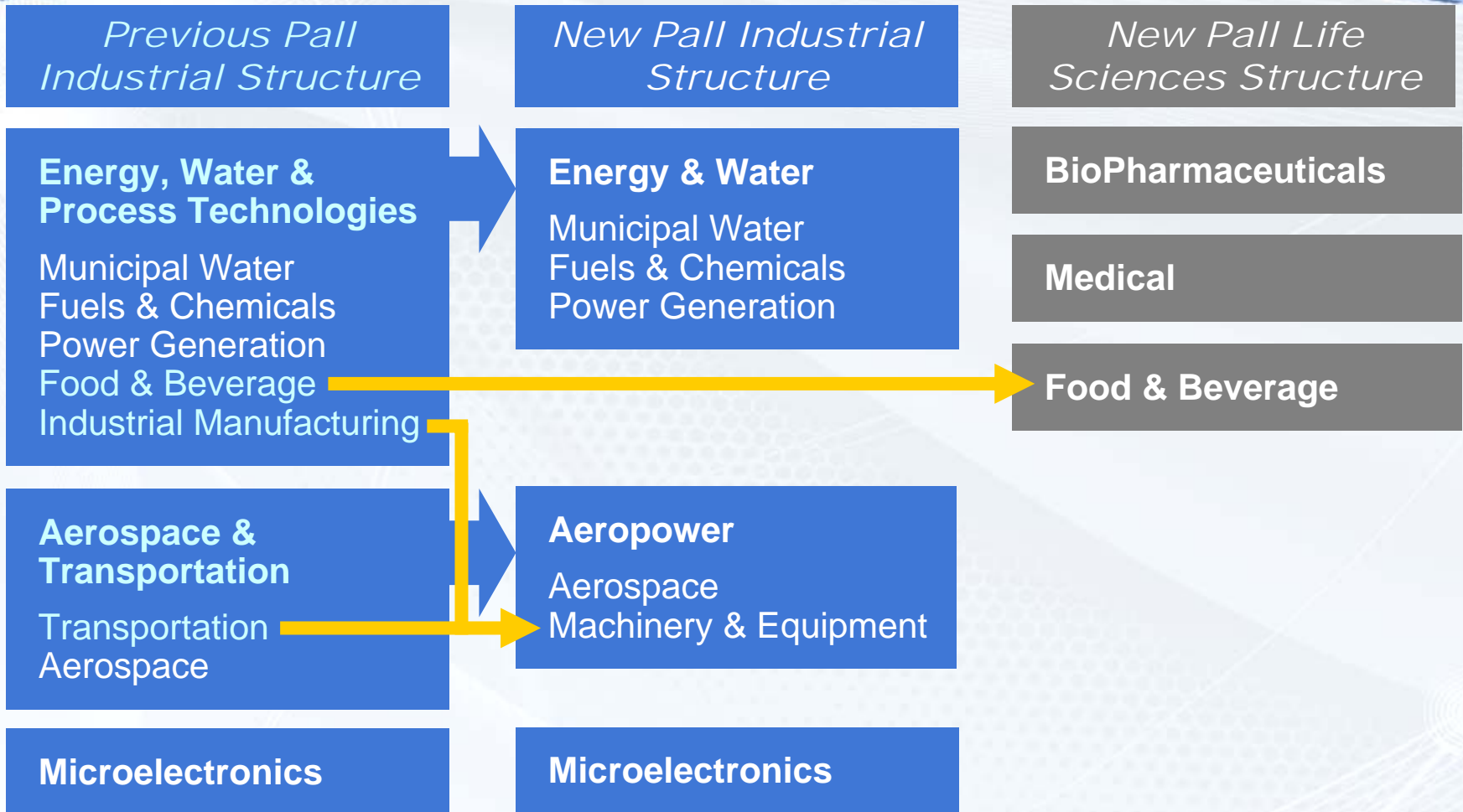
 Life Sciences

 Industrial

Gross Margin % by Fiscal Year



Reorganized Operating Segments & Markets

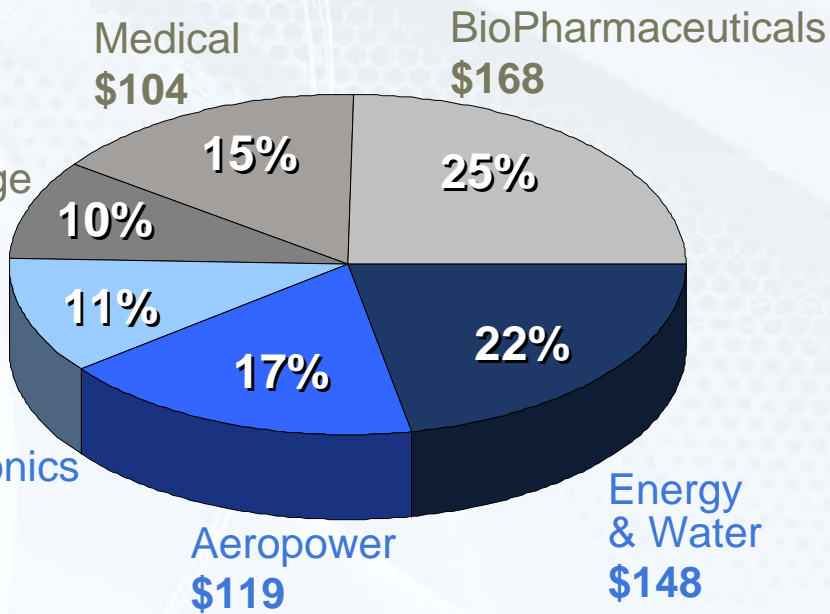


To better align technologies, market channels and management to customer needs.

Q4 2010 Sales

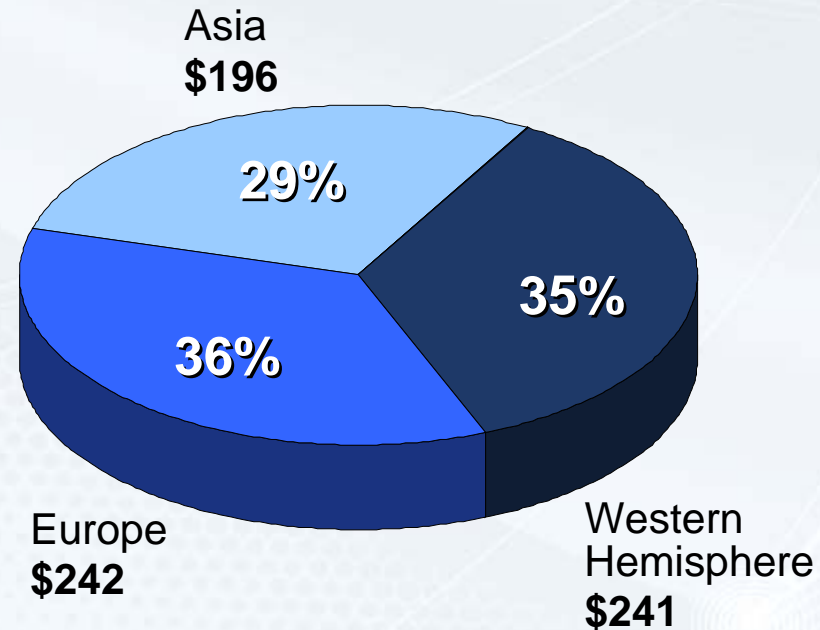
Sales By Market

Life Sciences \$336



Industrial \$343

Sales By Geography



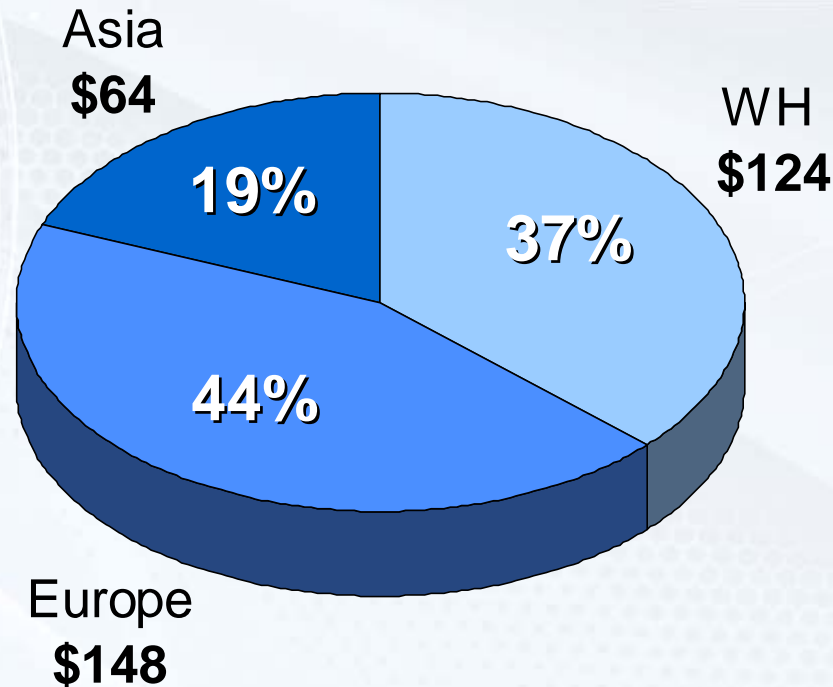
Pall Total Sales: \$679

(\$ in millions)

Pall Life Sciences – Q4 2010

Life Sciences Sales: \$336

Gross Margin: 51.9%



(\$ in millions)

**Life Sciences sales up 7.6% in Local Currency (LC),
Orders up 12.7% in LC**

BioPharmaceuticals



BioPharmaceuticals Sales (\$ in millions)

Q4 2010	Q4 2009	% CHANGE	LC % CHANGE
\$168	\$156	7.2	10.0

- Sales increased 10% in both consumables and systems
- Drivers include biotech drugs, vaccines, single-use technologies and emerging markets
- Entered FY 2011 with backlog up almost 30%



Medical Sales (\$ in millions)

Q4 2010	Q4 2009	% CHANGE	LC % CHANGE
\$104	\$103	1.1	3.6

- Sales up 3.6%, with Blood filter sales up over 3% despite reduced collections in the U.S.
- Hospital Critical Care submarket sales up 8%
- Approximately 30% of sales in fiscal 2010 came from new products
- Q4 Orders increased almost 6%



Food & Beverage Sales (\$ in millions)

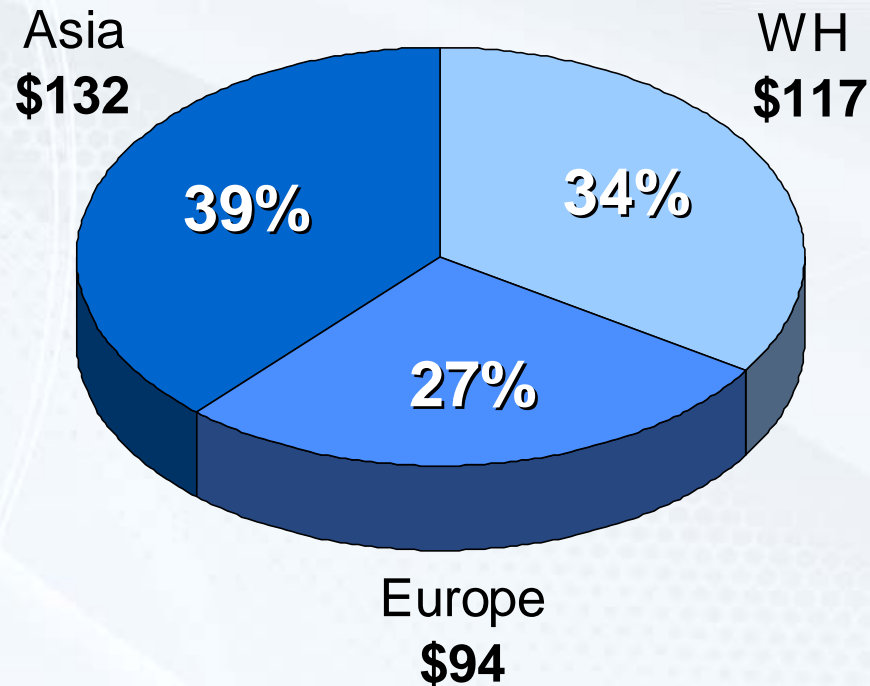
Q4 2010	Q4 2009	% CHANGE	LC % CHANGE
\$64	\$62	4.1	8.4

- Food & Beverage is now integrated within Life Sciences
- Sales grew 8.4% with increases in both consumables and systems
- Entered FY 2011 with backlog up 34%

Pall Industrial – Q4 2010

Industrial Sales: \$343

Gross Margin: 47.8%



(\$ in millions)

**Industrial sales up 4.2% in LC,
Orders up 26% in LC**



Energy & Water Sales (\$ in millions)

Q4 2010	Q4 2009	% CHANGE	LC % CHANGE
\$148	\$160	(7.6)	(6.5)

- Energy & Water now consists of three submarkets: Fuels & Chemicals, Power Generation and Municipal Water
- Fuels & Chemicals sales decreased 11% reflecting reduced capital orders in prior period; base business grew 5% after 4 down quarters
- Power Generation was down 13%; orders were up 43%
- Municipal Water sales grew 7% driven by a 57% increase in the Western Hemisphere



Aeropower Sales (\$ in millions)

Q4 2010	Q4 2009	% CHANGE	LC % CHANGE
\$119	\$116	2.1	4.1

- The Aeropower market is now comprised of the Aerospace and Machinery & Equipment submarkets
- Overall, Aeropower grew 4% driven by the Machinery & Equipment submarket which grew 28%
- Aerospace submarket was down 14% over Q4 2009, but improved sequentially
- Aeropower orders increased almost 60%



Microelectronics Sales (\$ in millions)

Q4 2010	Q4 2009	% CHANGE	LC % CHANGE
\$76	\$55	39.2	35.5

- Microelectronics finished the 4th quarter up 36% and up 21% for the year, outperforming our full year expectations
- The market is being driven by near full capacity utilization rates and improving consumer appetite for electronics
- Fourth quarter orders increased 33%



Our Mission Is Clear



Fourth Quarter Fiscal 2010 Sales and Earnings

Lisa McDermott
CFO & Treasurer

September 15, 2010

Sustainable, Profitable Growth

Q4 2010 vs. 2009

- Net earnings were \$55.0 million vs. \$69.5 million
- EPS were 46¢ vs. 58¢
- Pro Forma EPS were 72¢ vs. 57¢

Fiscal Year 2010 vs. 2009

- Net earnings were \$241.2 million vs. \$195.6 million
- EPS were \$2.03 vs. \$1.64
- Pro Forma EPS were \$2.12 vs. \$1.77

Q4 Comparative Income Statements

<i>(in millions, except EPS data)</i>	Q4 FY10	%	Q4 FY09	%
Net sales	\$ 679		\$ 652	
Cost of sales	341	50.2	351	53.9
Gross profit	338	49.8	301	46.1
SG&A	189	27.8	183	28.1
R&D	20	3.0	19	2.9
Earnings before interest, ROTC and taxes	129	19.0	99	15.1
Interest expense, net	8	1.2	6	0.9
Restructuring & other charges, net (ROTC)	11		6	
Loss on extinguishment of debt	31		-	
Earnings before taxes	79	11.6	87	13.4
Income taxes	24	30.0 *	18	20.6 *
Net earnings	\$ 55	8.1	\$ 69	10.7
Diluted EPS	\$ 0.46		\$ 0.58	
Pro forma diluted EPS	\$ 0.72		\$ 0.57	

* Effective Tax Rate

Fiscal Year Comparative Income Statements

<i>(in millions, except EPS data)</i>	FY10	%	FY09	%
Net sales	\$ 2,402		\$ 2,329	
Cost of sales	<u>1,196</u>	49.8	<u>1,228</u>	52.7
Gross profit	1,206	50.2	1,101	47.3
SG&A	740	30.8	700	30.0
R&D	<u>75</u>	3.1	<u>71</u>	3.1
Earnings before interest, ROTC and taxes	391	16.3	330	14.2
Interest expense, net	14	0.6	28	1.2
Restructuring & other charges, net (ROTC)	18		31	
Loss on extinguishment of debt	<u>31</u>		<u>-</u>	
Earnings before taxes	328	13.6	271	11.6
Income taxes	<u>87</u>	26.4 *	<u>75</u>	27.8 *
Net earnings	<u>\$ 241</u>	10.0	<u>\$ 196</u>	8.4
Diluted EPS	\$ 2.03		\$ 1.64	
Pro forma diluted EPS	\$ 2.12		\$ 1.77	

* *Effective Tax Rate*

Liquidity and Working Capital

(\$ amounts in millions)

	YTD FY10	YTD FY09
Operating Cash Flow	\$ 378	\$ 327
CapEx	(136)	(133)
Free Cash Flow	<u>\$ 242</u>	<u>\$ 194</u>
Other Significant (Uses)/Sources of Cash:		
Stock Buybacks	\$ (100)	\$ (96)
Dividends	(71)	(65)
Acquisition of businesses and distribution rights	(19)	(37)
Borrowings/(Repayment) under financing facilities and notes	24	(24)
Days in Cash Conversion Cycle*	115	128

- Days in Cash Conversion Cycle = Days Sales Outstanding plus Days Inventory Outstanding less Days Payable Outstanding

Fiscal 2010 Scorecard/2011 Outlook

<i>\$ in millions</i> (except for earnings per share data)	FY 2010 Actuals	FY 2011 Outlook
Total Pall Sales ⁽¹⁾	0.6%	Mid to high single digits
Life Sciences Sales ⁽¹⁾	4.1	Mid to high single digits
Industrial Sales ⁽¹⁾	-2.8%	Mid to high single digits
Gross Margin	50.2%	50.0%–51.0%
SG&A	30.8%	30.5%
Life Sciences Operating Margin	22.6%	22.5%–23.5%
Industrial Operating Margin	14.1%	14.0%–15.0%
Pro forma EBIT ⁽²⁾	16.3%	16.0%–17.0%
Income Taxes ⁽³⁾	31.0%	27.0%
Pro forma EPS – Diluted ⁽⁴⁾	\$2.12	\$2.35–\$2.55

<i>\$ in millions</i>	FY 2010 Actuals	FY 2011 Outlook
Operating Cash Flow	\$378	\$435–\$460
Capex	\$136	\$165–\$175

(1) In Local Currency

(2) Excludes Restructuring and Other Charges (ROTC)

(3) Underlying Tax Rate

(4) Excludes ROTC and other Discrete Items (See Appendix on slide 22)

Appendix: Reconciliation of Non-GAAP Financial Measures

<i>Fourth Quarter</i>	Q4 FY10	Q4 FY09
Diluted EPS as reported	\$ 0.46	\$ 0.58
ROTC, after pro forma tax effect	\$ 0.06	\$ 0.03
Note redemption related costs, after pro forma tax effect	0.17	-
Tax adjustments	<u>0.03</u>	<u>(0.04)</u>
Total pro forma adjustments	<u>0.26</u>	<u>(0.01)</u>
Pro forma diluted EPS	<u>\$ 0.72</u>	<u>\$ 0.57</u>

<i>Twelve Months</i>	FY10	FY09
Diluted EPS as reported	\$ 2.03	\$ 1.64
ROTC, after pro forma tax effect	\$ 0.09	\$ 0.19
Interest adjustments, after pro forma tax effect	(0.08)	-
Note redemption related costs, after pro forma tax effect	0.17	-
Tax adjustments	<u>(0.09)</u>	<u>(0.06)</u>
Total pro forma adjustments	<u>0.09</u>	<u>0.13</u>
Pro forma diluted EPS	<u>\$ 2.12</u>	<u>\$ 1.77</u>

<i>Effective Tax Rate</i>	FY10
Effective Tax Rate	26.4%
Resolution of foreign tax audits	4.5%
Tax cost of establishment of European HQ	-1.5%
Note redemption related costs	0.5%
Expiring foreign statutes of limitation	0.5%
ROTC and other	<u>0.6%</u>
Pro forma tax adjustments	<u>4.6%</u>
Underlying Tax Rate	<u>31.0%</u>

Appendix: Q4 Reconciliation of Non-GAAP Financial Measures

<i>(amounts in millions)</i>	Q4 FY10	Q4 FY09	Q4 FY10 Estimated Impact of FX	Q4 FY10 Estimate Excluding FX	% Change Excluding FX
Sales:					
BioPharmaceuticals	\$ 167.4	\$ 156.3	\$ (4.4)	\$ 171.8	10.0%
Medical	103.7	102.5	(2.5)	106.2	3.6%
Food & Beverage	64.3	61.8	(2.7)	67.0	8.4%
Life Sciences	\$ 335.4	\$ 320.6	\$ (9.6)	\$ 345.0	7.6%
Energy & Water	\$ 148.3	\$ 160.5	\$ (1.7)	\$ 150.0	-6.5%
Aeropower	118.7	116.2	(2.3)	121.0	4.1%
Microelectronics	76.2	54.7	2.0	74.2	35.5%
Industrial	\$ 343.2	\$ 331.4	\$ (2.0)	\$ 345.2	4.2%
Total Pall	\$ 678.6	\$ 652.0	\$ (11.6)	\$ 690.2	5.9%
SG&A	\$ 189.0	\$ 183.5	\$ (4.1)	\$ 193.1	5.2%
EBIT	\$ 129.1	\$ 98.6	\$ (0.2)	\$ 129.3	31.1%

Appendix: Fiscal Year Reconciliation of Non-GAAP Financial Measures

<i>(amounts in millions)</i>	FY 2010	FY 2009	FY 2010 Estimated Impact of FX	FY 2010 Estimate Excluding FX	% Change Excluding FX
Sales:					
BioPharmaceuticals	\$ 620.3	\$ 550.6	\$ 13.3	\$ 607.0	10.2%
Medical	399.5	389.9	6.4	393.1	0.8%
Food & Beverage	218.0	225.8	4.4	213.6	-5.4%
Life Sciences	\$ 1,237.8	\$ 1,166.3	\$ 24.1	\$ 1,213.7	4.1%
Energy & Water	\$ 479.9	\$ 505.5	\$ 14.1	\$ 465.8	-7.9%
Aeropower	418.2	446.4	8.6	409.6	-8.2%
Microelectronics	266.0	211.0	11.4	254.6	20.7%
Industrial	\$ 1,164.1	\$ 1,162.9	\$ 34.1	\$ 1,130.0	-2.8%
Total Pall	\$ 2,401.9	\$ 2,329.2	\$ 58.3	\$ 2,343.6	0.6%
SG&A	\$ 739.9	\$ 699.8	\$ 15.5	\$ 724.4	3.5%
EBIT	\$ 391.2	\$ 329.6	\$ 17.3	\$ 373.9	13.4%

Appendix: Reconciliation of Non-GAAP Financial Measures

Operating Profit (in millions)	Q4 FY10	Q4 FY09
Industrial operating profit	\$ 70.1	\$ 45.7
Life Sciences operating profit	<u>73.8</u>	<u>65.9</u>
Total operating profit	143.9	111.6
General corporate expenses	<u>(14.8)</u>	<u>(13.1)</u>
Earnings before ROTC, interest & income taxes	129.1	98.5
ROTC	(11.0)	(5.4)
Interest expense, net	(8.0)	(5.5)
Loss on extinguishment of debt	<u>(31.5)</u>	<u>-</u>
Earnings before income taxes	\$ <u>78.6</u>	\$ <u>87.6</u>

Operating Profit (in millions)	FY 2010	FY 2009
Industrial operating profit	\$ 164.5	\$ 152.1
Life Sciences operating profit	<u>280.1</u>	<u>234.0</u>
Total operating profit	444.6	386.1
General corporate expenses	<u>(53.4)</u>	<u>(56.5)</u>
Earnings before ROTC, interest & income taxes	391.2	329.6
ROTC	(17.7)	(30.7)
Interest expense, net	(14.3)	(28.1)
Loss on extinguishment of debt	<u>(31.5)</u>	<u>-</u>
Earnings before income taxes	\$ <u>327.7</u>	\$ <u>270.7</u>

PALL Pall Corporation



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