



Sustainable, Profitable Growth



Second Quarter Fiscal 2010 Sales and Earnings

**Eric Krasnoff
Chairman & CEO**

March 12, 2010

Forward Looking Statements

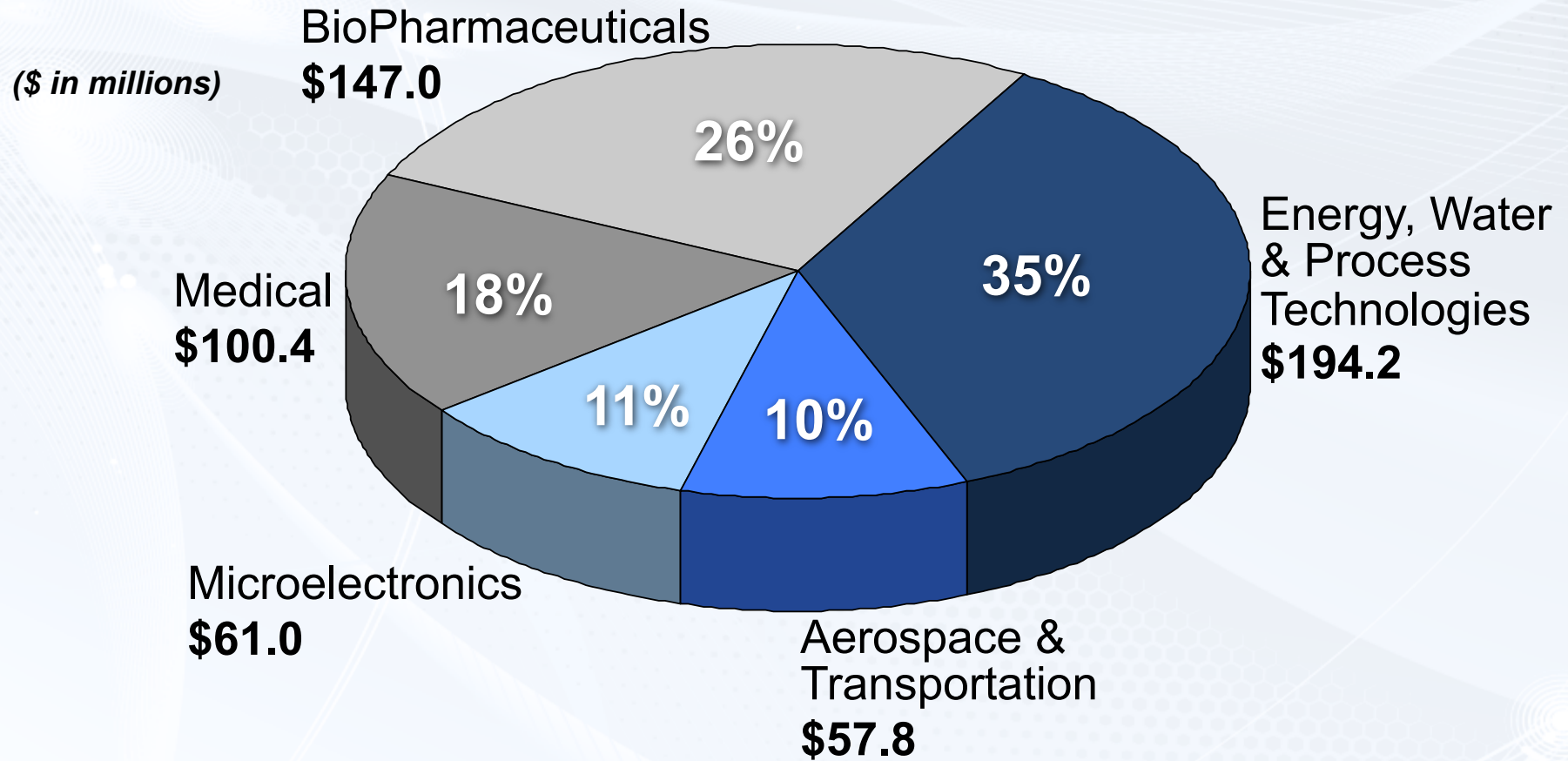
The matters discussed in this presentation contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Results for the second quarter of fiscal year 2010 are preliminary until the Company's Form 10-Q is filed with the Securities and Exchange Commission on March 12, 2010.

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 on the last slide of this presentation (in the Reconciliation Appendix) and are also available on Pall's website at www.pall.com/investor.

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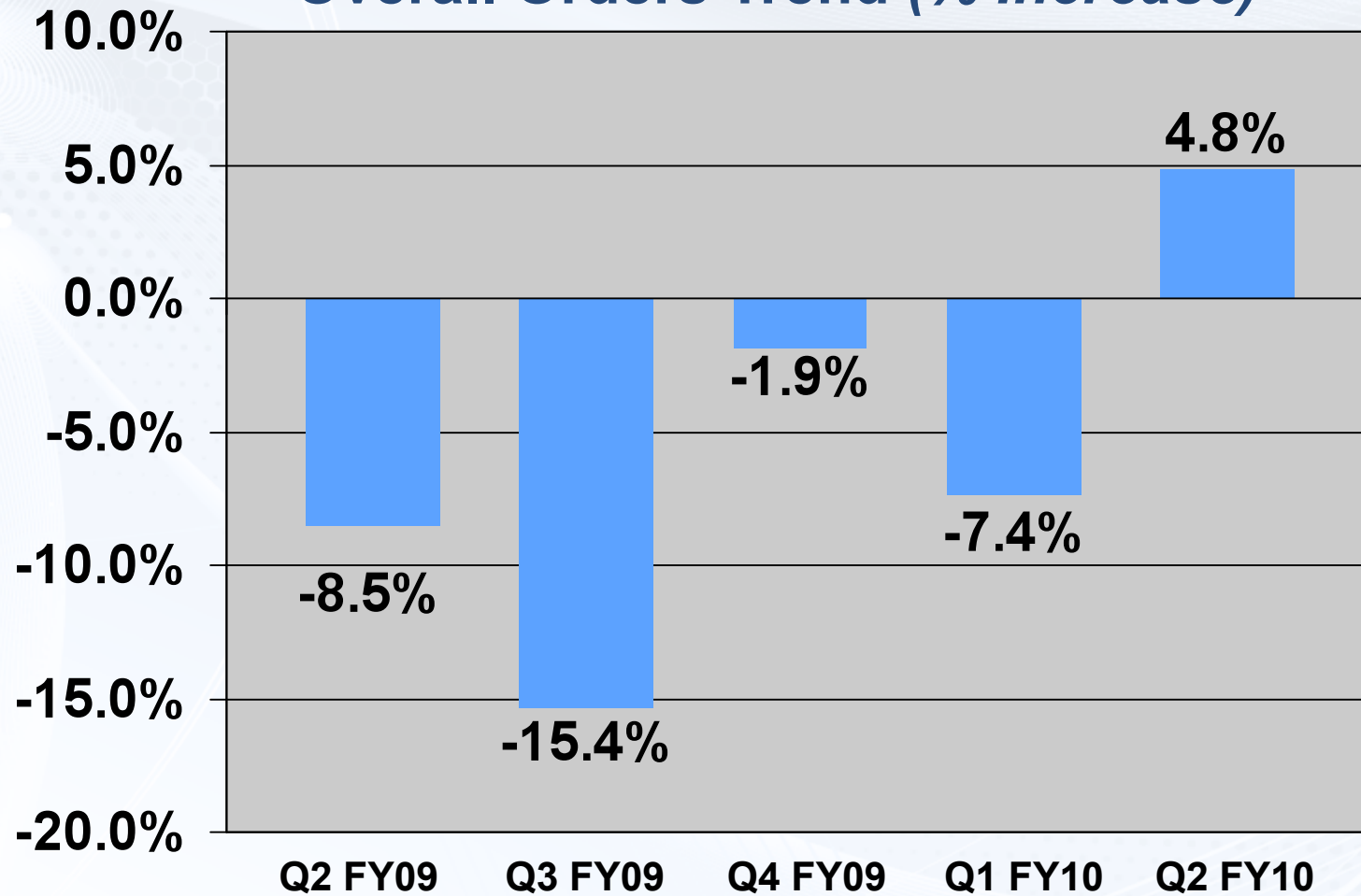
Second Quarter FY 2010 Sales



Pall Total Sales: \$560.4 Million

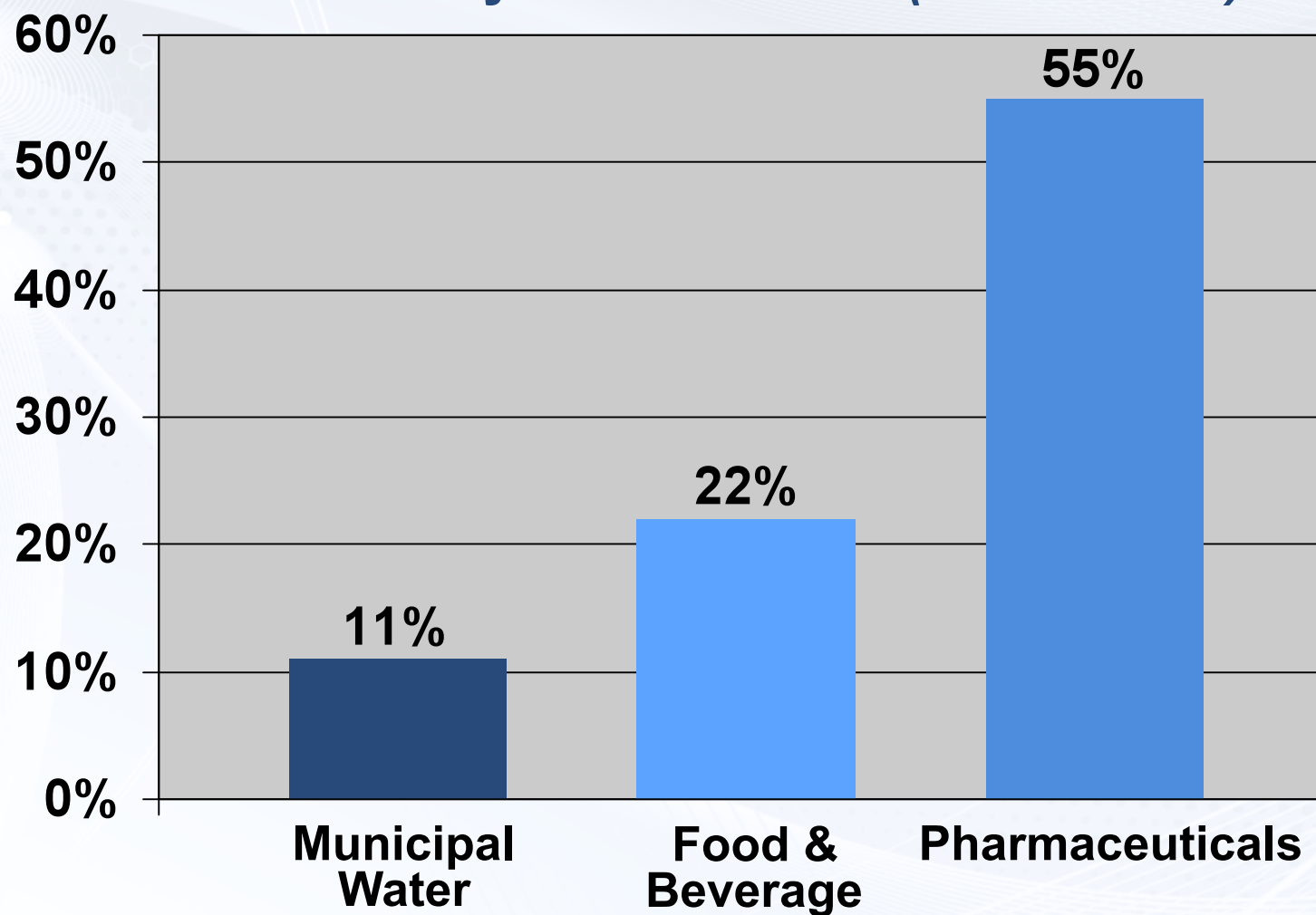
Overall Orders Are Building

Overall Orders Trend (% Increase)



Capital Spending is Increasing in Key Submarkets

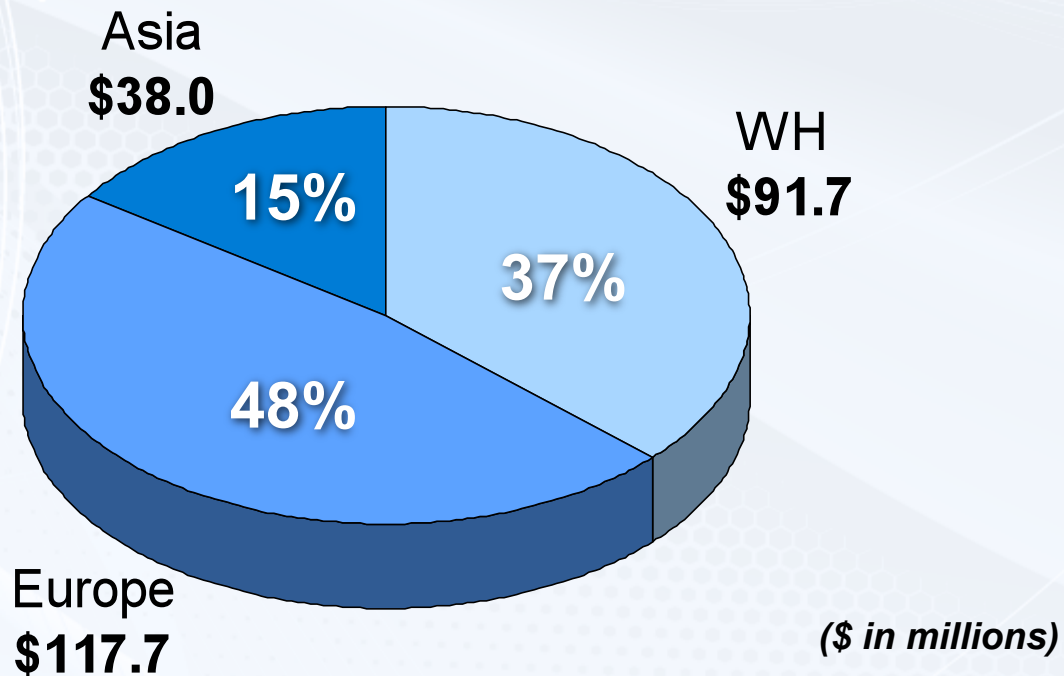
Q2 FY10 Systems Orders (% Increase)



Pall Life Sciences – Q2 FY 10

Total Sales \$247.4

Gross Margin 58%



**Life Sciences sales were up 4%,
Orders were up almost 10% in the quarter**

BioPharmaceuticals



BioPharmaceuticals Sales (\$ in millions)

Q2 2010	Q2 2009	% CHANGE	LC % CHANGE
\$147.0	\$128.1	14.7	8.2

- Pharmaceuticals consumables sales up 15%
- Growth driven by vaccine production and single-use technologies
- Expect higher system sales in the second half

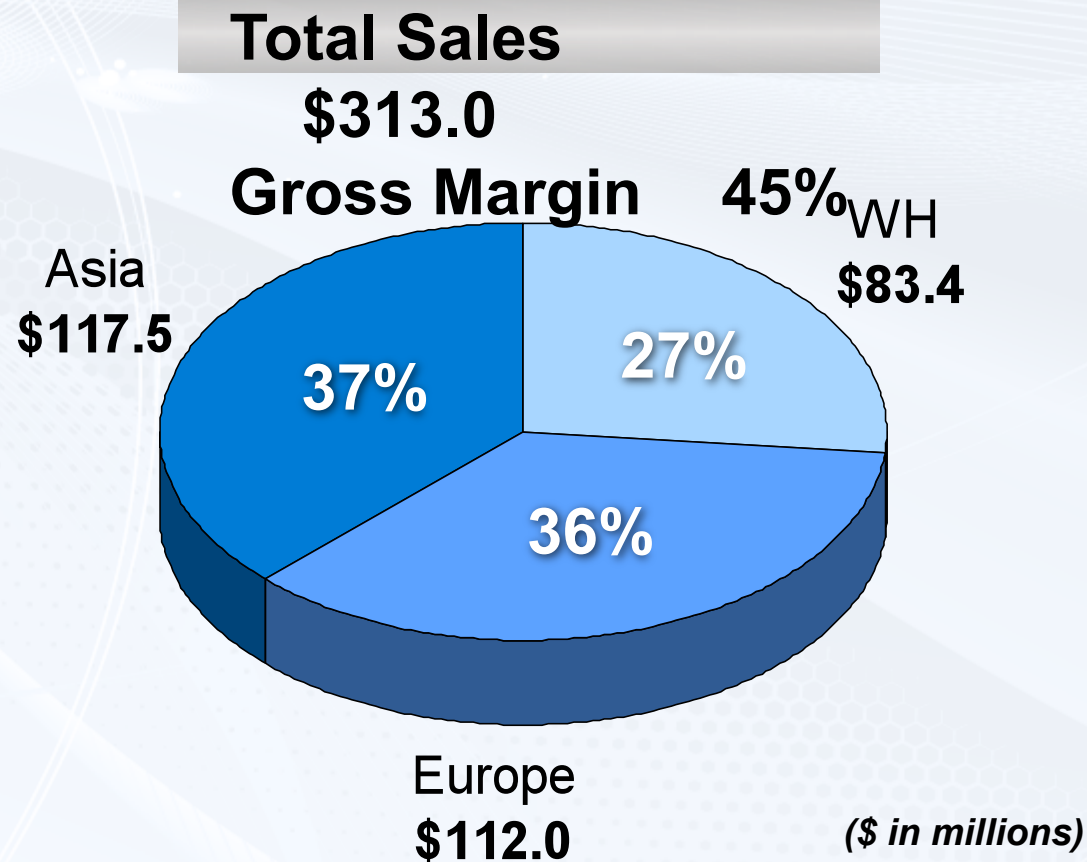


Medical Sales (\$ in millions)

Q2 2010	Q2 2009	% CHANGE	LC % CHANGE
\$100.5	\$96.9	3.7	(1.1)

- Sales in Blood Filtration submarkets grew slightly driven by Asia
- Asia is benefitting from increasing adoption of universal leukoreduction
- Significant contribution from new products

Pall Industrial – Q2 FY 10



**Industrial sales declined in the quarter,
Orders in key submarkets have rebounded**

Microelectronics



Microelectronics Sales (\$ in millions)

Q2 2010	Q2 2009	% CHANGE	LC % CHANGE
\$61.0	\$50.6	20.6	14.7

- Sequentially, sales were up 6.3% in local currency
- Growth in WH and most of Asia solid, reflecting increased fab utilization rates and plant investment in technology upgrades
- Second quarter orders were up 45%



Aerospace & Transportation

A&T Sales (\$ in millions)

Q2 2010	Q2 2009	% CHANGE	LC % CHANGE
\$57.8	\$66.4	(13.0)	(16.5)

- Commercial Aerospace submarkets declined ~ 7% related to weakness in the regional and private jet markets
- Military Aerospace submarkets decreased 27% reflecting deferrals in military spending
- Sales to Transportation submarkets were down ~ 7%



Energy, Water & Process Technologies

EWPT Sales (\$ in millions)

Q2 2010	Q2 2009	% CHANGE	LC % CHANGE
\$194.2	\$201.3	(3.5)	(10.6)

- Fuels & Chemicals submarket sales impacted by the deferral of large orders for capital jobs last year
- Strong orders growth in Municipal Water, Food & Beverage and Industrial Manufacturing submarkets



Sustainable, Profitable Growth



Second Quarter Fiscal 2010 Sales and Earnings

**Lisa McDermott
CFO & Treasurer**

March 12, 2010

Net Earnings Recap

For the Quarter

- Net earnings were \$50 million vs. \$39 million quarter over quarter
- EPS of 42¢ vs. 33¢ quarter over quarter
- Pro Forma EPS of 42¢ vs. 38¢ quarter over quarter

For the Six Months

- Net earnings were \$117 million vs. \$82 million year over year
- EPS of 98¢ vs. 68¢ year over year
- Pro Forma EPS of 82¢ vs. 78¢ year over year

Fiscal 2010 Second Quarter Comparative Income Statements

<i>(in millions, except EPS data)</i>	Q2 FY10	%	Q2 FY09	%
Net sales	\$ 560		\$ 543	
Cost of sales	<u>276</u>	49.3	<u>287</u>	52.8
Gross profit	284	50.7	256	47.2
SG&A	187	33.4	167	30.8
R&D	<u>18</u>	3.3	<u>17</u>	3.2
Earnings before interest, ROTC and taxes	79	14.0	72	13.2
Net interest	6	1.0	6	1.2
Restructuring & other charges, net (ROTC)	<u>1</u>		<u>9</u>	
Earnings before taxes	72	12.9	57	10.4
Income taxes	<u>22</u>	31.4 *	<u>18</u>	31.3 *
Net earnings	<u>\$ 50</u>	8.9	<u>\$ 39</u>	7.2
Diluted EPS	\$ 0.42		\$ 0.33	
Pro forma diluted EPS	\$ 0.42		\$ 0.38	

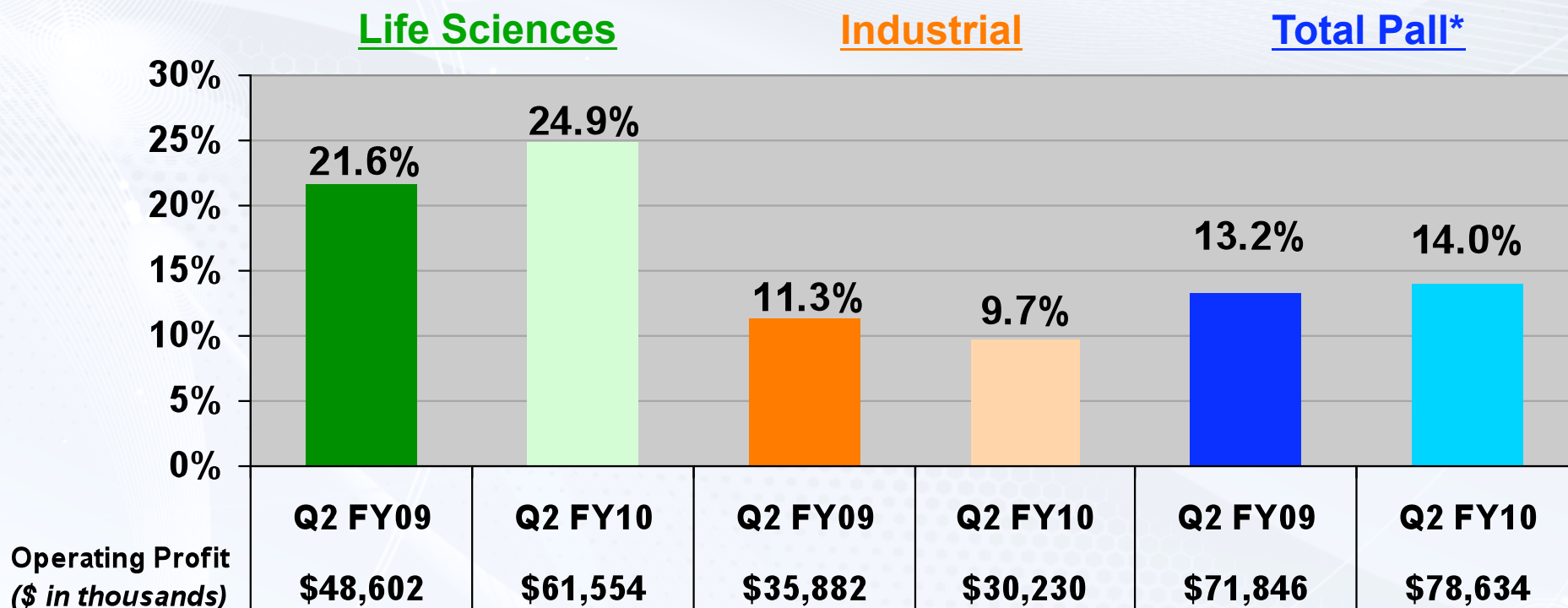
* Effective Tax Rate

Fiscal 2010 Six Months Comparative Income Statements

<i>(in millions, except EPS data)</i>	FY10	%	FY09	%
Net sales	\$ 1,107		\$ 1,121	
Cost of sales	553	49.9	585	52.2
Gross profit	554	50.1	536	47.8
SG&A	363	32.8	348	31.0
R&D	36	3.2	36	3.2
Earnings before interest, ROTC and taxes	155	14.0	152	13.5
Net interest	3	0.3	16	1.4
Restructuring & other charges, net (ROTC)	5		17	
Earnings before taxes	147	13.3	119	10.6
Income taxes	30	20.8 *	37	31.1 *
Net earnings	\$ 117	10.5	\$ 82	7.3
Diluted EPS	\$ 0.98		\$ 0.68	
Pro forma diluted EPS	\$ 0.82		\$ 0.78	

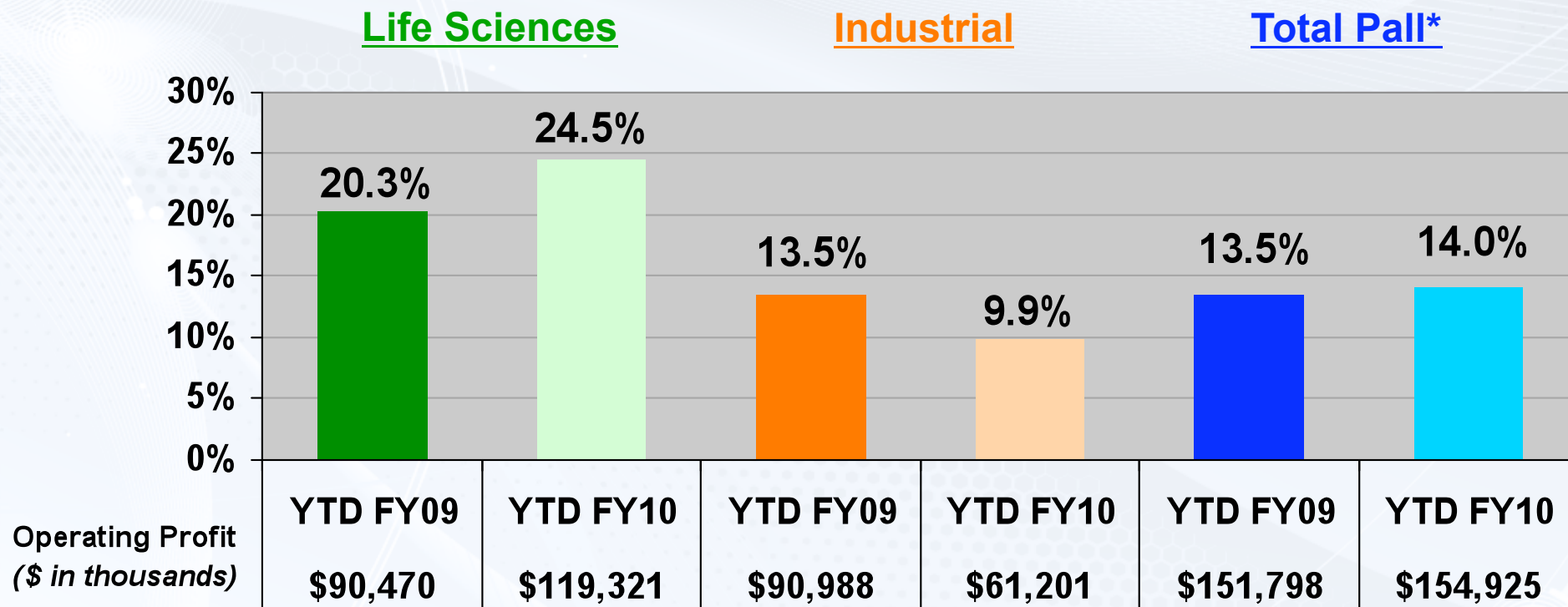
* Effective Tax Rate

Second Quarter Operating Profit on a Segment Basis



* Includes General Corporate Expenses

First Half Operating Profit on a Segment Basis



* Includes General Corporate Expenses

Liquidity and Working Capital

(\$ amounts in millions)

	YTD FY10	YTD FY09
Operating Cash Flow	\$ 156	\$ 62
CapEx	(63)	(58)
Free Cash Flow	<u>\$ 93</u>	<u>\$ 4</u>
Other Significant Uses of Cash:		
Stock Buybacks	\$ (25)	\$ (65)
Dividends	(34)	(31)
M&A	(9)	(37)
Repayment under financing facilities	(2)	(64)
Days in Cash Conversion Cycle	155	169

Global Drivers For The Filtration Market



**Customer
Innovation**



**Water &
Energy Needs**



**Regulatory
Requirements**



**Mutating
Pathogens**



Environmentalism



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FUTURE**

Appendix: Reconciliation of Non-GAAP Financial Measures

<i>Second Quarter</i>	Q2 FY10	Q2 FY09
Diluted EPS as reported	\$ 0.42	\$ 0.33
ROTC, after pro forma tax effect	-	0.05
Interest adjustments, after pro forma tax	-	-
Tax adjustments	-	-
Pro forma diluted EPS	<u>\$ 0.42</u>	<u>\$ 0.38</u>
<i>Six Months</i>	FY10	FY09
Diluted EPS as reported	\$ 0.98	\$ 0.68
ROTC, after pro forma tax effect	0.02	0.11
Interest adjustments, after pro forma tax	(0.06)	-
Tax adjustments	<u>(0.12)</u>	<u>(0.01)</u>
Pro forma diluted EPS	<u>\$ 0.82</u>	<u>\$ 0.78</u>
<i>Full Year EPS Guidance</i>	Low End	High End
Diluted EPS guidance range	\$ 2.11	\$ 2.21
ROTC, after pro forma tax effect*	0.02	0.02
Interest adjustments, after pro forma tax effect*	(0.06)	(0.06)
Tax adjustments*	<u>(0.12)</u>	<u>(0.12)</u>
Pro forma diluted EPS guidance range	<u>\$ 1.95</u>	<u>\$ 2.05</u>

Appendix: Q2 Reconciliation of Non-GAAP Financial Measures

(amounts in millions)

	Q2 FY10	Q2 FY09	Q2 FY10 Estimated Impact of FX	Q2 FY10 Estimate Excluding FX	% Change Excluding FX
Sales	\$ 560.4	\$ 543.3	\$ 32.5	\$ 527.9	-2.8%
SG&A	\$ 187.0	\$ 167.1	\$ 9.7	\$ 177.3	6.1%
EBIT	\$ 78.6	\$ 71.8	\$ 6.9	\$ 71.8	-0.1%

Operating Profit (in millions)	FY10	FY09
Industrial operating profit	\$ 30.2	\$ 35.9
Life Sciences operating profit	61.6	48.6
Total operating profit	91.8	84.5
General corporate expenses	(13.2)	(12.7)
Earnings before ROTC, interest & income taxes	78.6	71.8
ROTC	(0.6)	(8.7)
Earnings before interest & income taxes	78.0	63.1
<u>Exclude:</u>		
Depreciation & Amortization	23.9	22.0
EBITDA	<u>\$ 101.9</u>	<u>\$ 85.1</u>

Appendix: Six Months Reconciliation of Non-GAAP Financial Measures

(amounts in millions)

	FY 2010	FY 2009	FY 2010 Estimated Impact of FX	FY 2010 Estimate Excluding FX	% Change Excluding FX
Sales	\$ 1,107.3	\$ 1,121.3	\$ 41.3	\$ 1,066.1	-4.9%
SG&A	\$ 363.7	\$ 347.6	\$ 11.2	\$ 352.5	1.4%
EBIT	\$ 154.9	\$ 151.8	\$ 10.3	\$ 144.6	-4.7%

Operating Profit (in millions)	FY 2010	FY 2009
Industrial operating profit	\$ 61.2	\$ 91.0
Life Sciences operating profit	119.3	90.5
Total operating profit	180.5	181.5
General corporate expenses	(25.6)	(29.7)
Earnings before ROTC, interest & income taxes	154.9	151.8
ROTC	(4.6)	(16.9)
Earnings before interest & income taxes	150.3	134.9
<u>Exclude:</u>		
Depreciation & Amortization	47.1	44.9
EBITDA	<u>\$ 197.4</u>	<u>\$ 179.8</u>



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