



Pall Corporation

Second Quarter Fiscal 2011 Results

Eric Krasnoff
Chairman, CEO & President
March 11, 2011

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 2011 are preliminary until the Company's Form 10-Q is filed with the Securities and Exchange Commission on or before March 14, 2011.

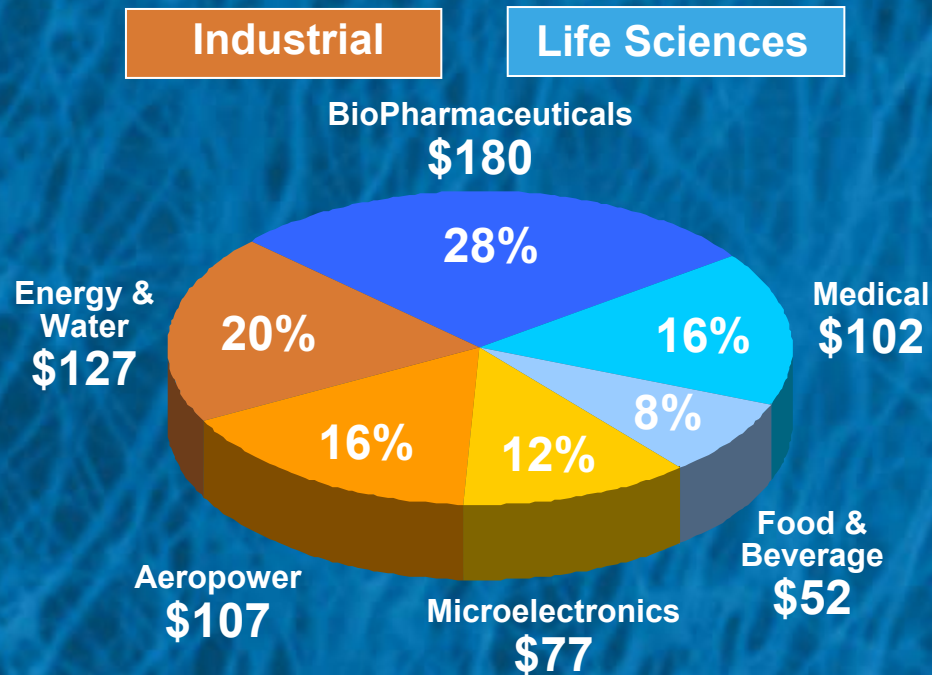
Forward-looking statements are those that address activities, events or developments that the Company or management intends, expects, projects, believes or anticipates will or may occur in the future. All statements regarding future performance, earnings projections, earnings guidance, management's expectations 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 light of past experience and trends, current conditions, expected future developments and other relevant factors.

The Company's forward-looking statements are subject to risks and uncertainties and are not guarantees of future performance, and actual results, developments and business decisions may differ materially from those envisaged by the Company's forward-looking statements. Such risks and uncertainties include, but are not limited to, those discussed in Part I–Item 1A.–Risk Factors in the 2010 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; 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; our ability to obtain regulatory approval or market acceptance of new technologies; 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; fluctuations in our effective tax rate; 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 achieve and sustain the savings anticipated from cost reduction and gross margin improvement initiatives; the effect of the restrictive covenants in our debt facilities; our ability to enforce patents and protect proprietary products and manufacturing techniques; our ability to successfully complete or integrate any acquisitions; and the impact of pricing and other actions by competitors. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for the Company 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.

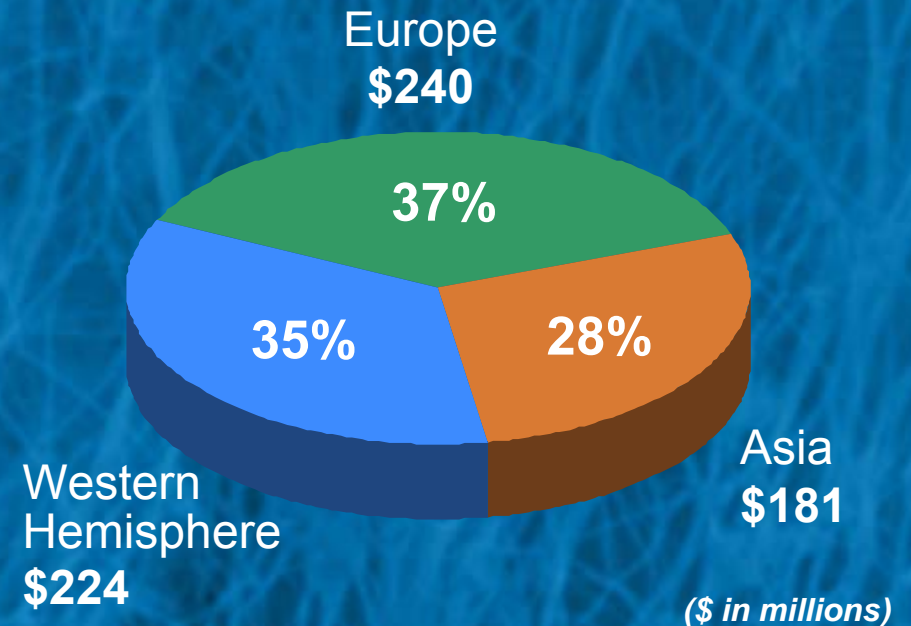
Management uses certain non-GAAP measurements to assess the Company's current and future financial performance. The non-GAAP measurements do not replace the presentation of the Company's GAAP financial results. These measurements provide supplemental information to assist management in analyzing the 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. 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.

Q2 FY 2011 Sales

Sales By Market



Sales By Geography

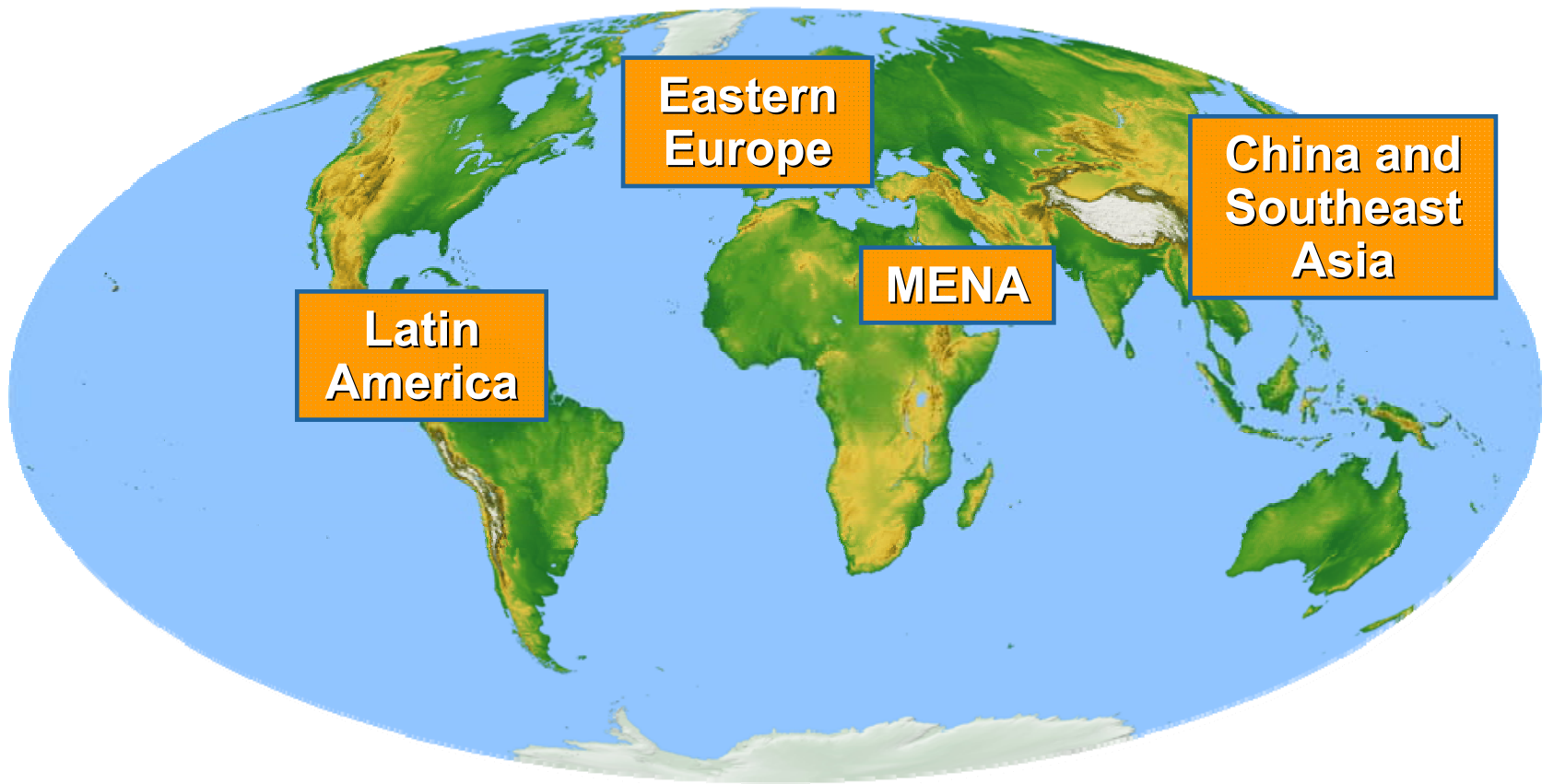


Total Industrial Sales
\$311 million

Total Life Science Sales
\$334 million

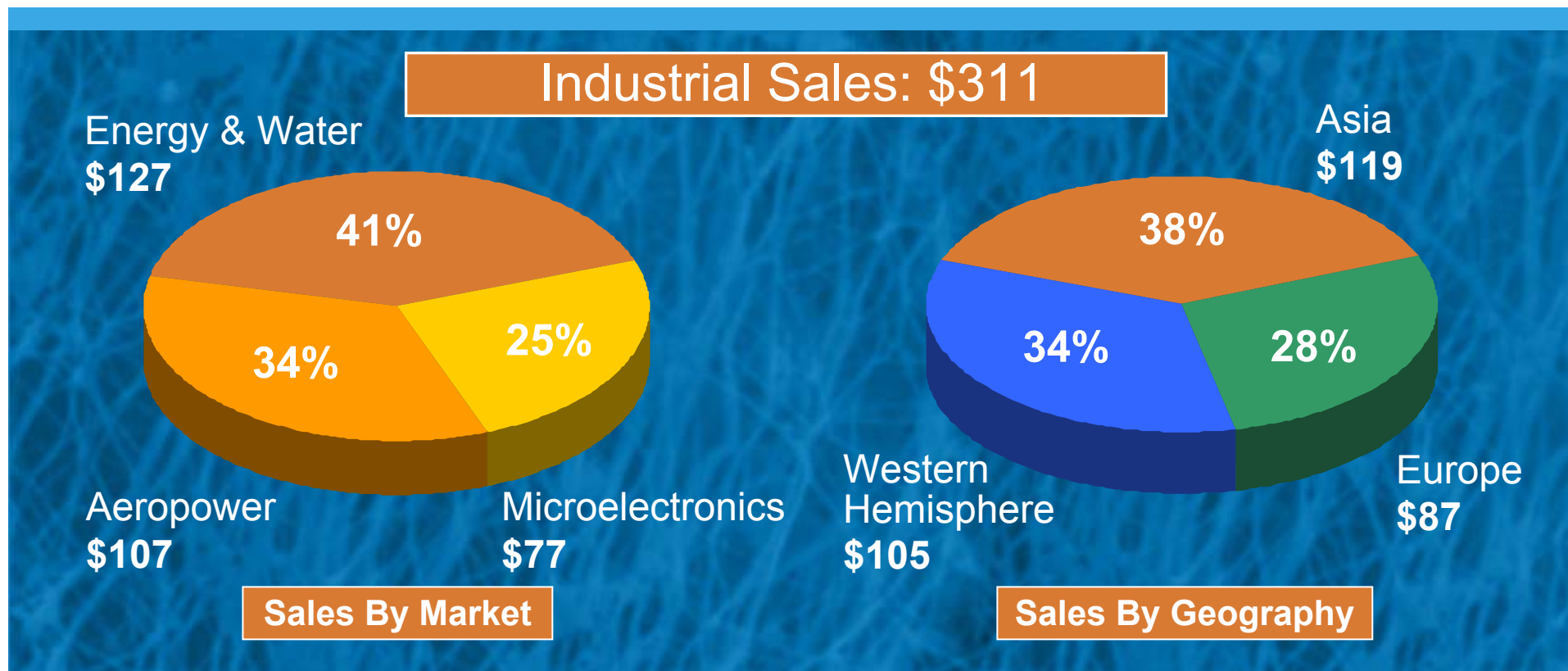
Total Sales
\$645
Million

Strong Focus on High-Growth Regions



*These emerging markets now represent
~20% of total sales*

Pall Industrial – Q2 FY 2011



(\$ in millions)

Industrial sales increased 17.7% in Local Currency ("LC")

Aeropower



Sales

(\$ in millions, discussion of sales and orders changes in LC)

Q2 FY 2011	Q2 FY 2010	% CHANGE	LC % CHANGE
\$107	\$97	10.3	11.6

- Machinery & Equipment up 15% posting double-digit growth for the 4th consecutive quarter
- Aerospace grew almost 8%
 - Commercial Aerospace sales were up 17%
 - Military Aerospace sales were flat overall, with over 20% growth in the Western Hemisphere
 - Orders increased over 22%



The Centrisep® EAPS (Engine Advanced Protection System)

Energy & Water

Sales

(\$ in millions, discussion of sales and orders changes in LC)

Q2 FY 2011	Q2 FY 2010	% CHANGE	LC % CHANGE
\$127	\$105	21.0	21.0

- Energy sales were up over 9%
 - Fuels & Chemicals consumables sales were up almost 15%
 - Power Generation sales increased over 16% driven by system sales
- Muni Water sales grew over 80%.
 - Backlog is over \$100 million



The Pall Aria™ Line of Water Treatment Systems

Microelectronics



Sales

(\$ in millions, discussion of sales and orders changes in LC)

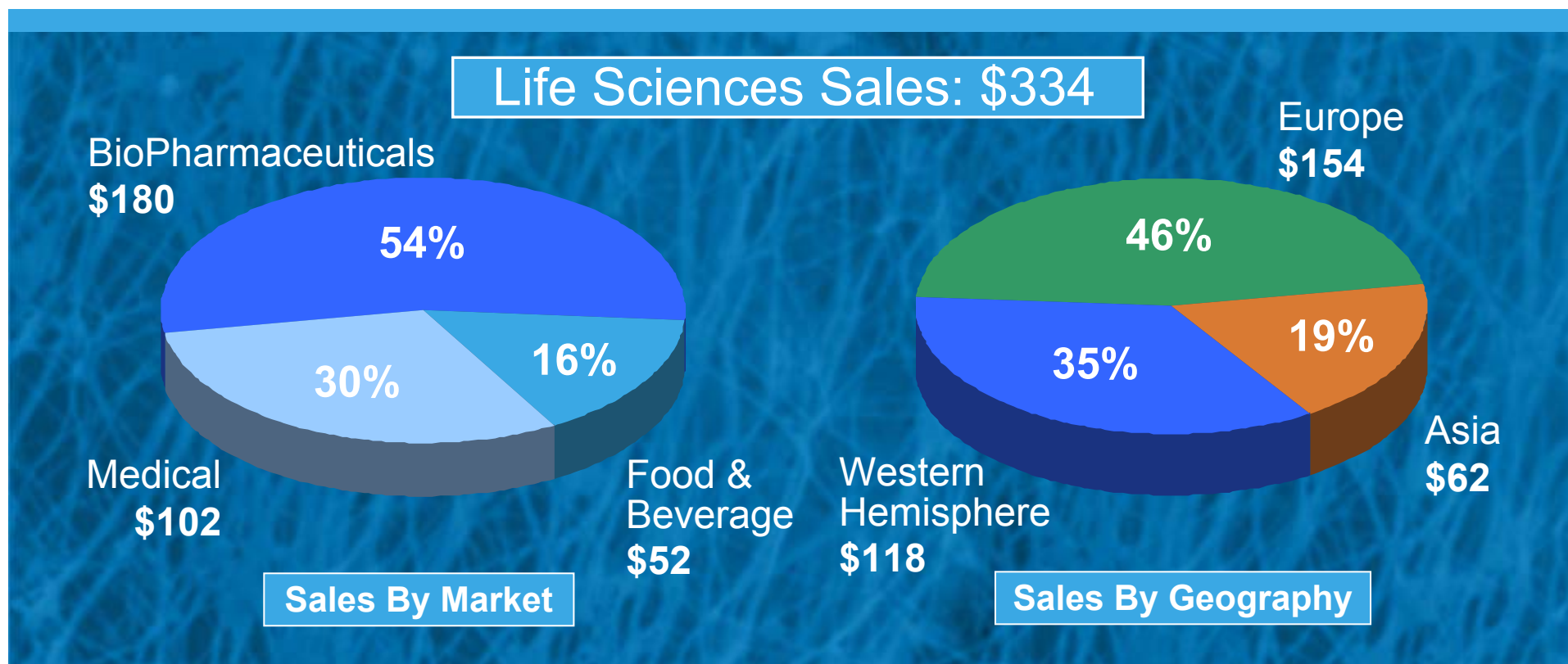
Q2 FY 2011	Q2 FY 2010	% CHANGE	LC % CHANGE
\$77	\$61	26.0	21.4

- Reported 5th consecutive quarter of double-digit growth
- Growth reflects:
 - High capacity utilization rates at chip producers
 - Demand for products like smart phones, tablet computers and other advanced electronics
- Orders increased just under 10%



Automated Microfiltration Systems for Photovoltaic Silicon Grinding/Sanding Water Reclamation

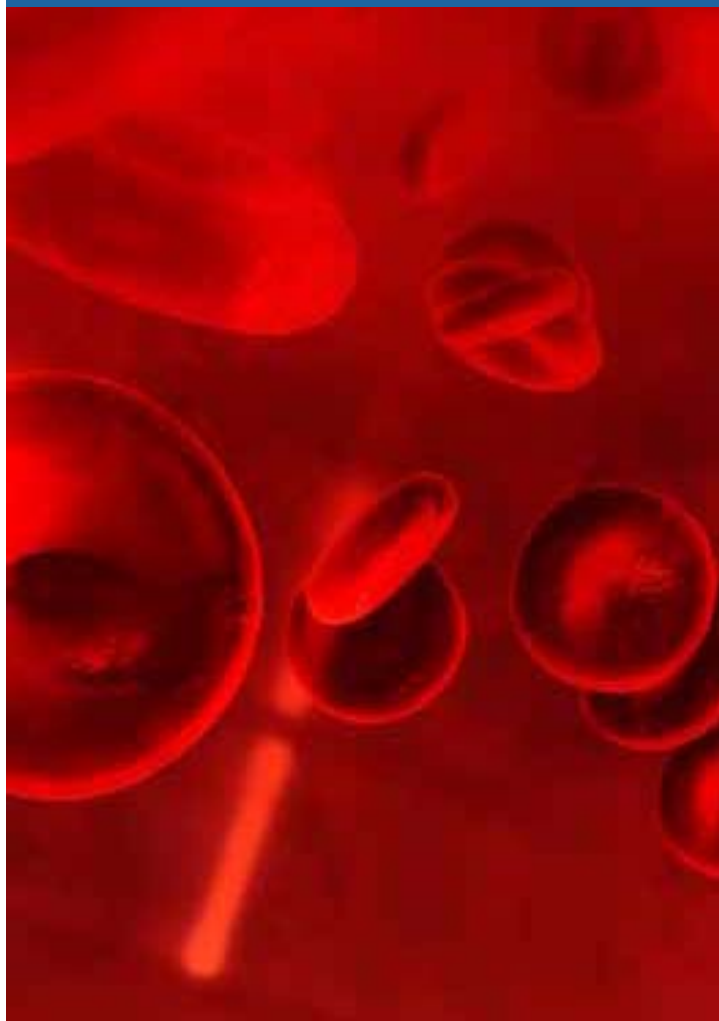
Pall Life Sciences – Q2 FY 2011



(\$ in millions)

Life Sciences sales increased 14.0% in LC

Medical



Sales

(\$ in millions, discussion of sales and orders changes in LC)

Q2 FY 2011	Q2 FY 2010	% CHANGE	LC % CHANGE
\$102	\$100	1.8	3.3

- Hospital Critical Care sales up almost 15% driven by Pall-Aquasafe™ water filters in Europe
- OEM sales grew almost 7%
- Blood filter sales were flat
 - Western Hemisphere grew about 2% despite a comparable drop in blood collections
 - Pricing pressure in parts of Europe caused us to pass on some business



Leukotrap® RC System with RC2D Filter

Food & Beverage



Sales

(\$ in millions, discussion of sales and orders changes in LC)

Q2 FY 2011	Q2 FY 2010	% CHANGE	LC % CHANGE
\$52	\$50	5.0	7.5

- Food & Beverage sales growth reflected continuing market recovery
 - Consumable sales increased 4% with all regions contributing
 - Systems sales were up 25%
- Also beginning to benefit from “game changing” new products
- Food & Beverage orders up almost 18%



PROFi Membrane System for DE-Free Clarification of Beer

BioPharmaceuticals



Sales

(\$ in millions, discussion of sales and orders changes in LC)

Q2 FY 2011	Q2 FY 2010	% CHANGE	LC % CHANGE
\$180	\$147	22.2	23.6

- BioPharmaceuticals delivered another strong quarter
 - Consumables sales were up 19%
 - Systems sales more than doubled
- Sales in Pharmaceuticals grew 25% reflecting Pall's leading position in the biotech, vaccine and plasma markets
- Sales in Laboratory increased almost 15%



Pall Allegro™ Disposable 3D Biocontainer



Pall Corporation


Second Quarter Fiscal 2011 Results

Ken Frank
President, Pall BioPharmaceuticals
March 11, 2011

BioPharmaceuticals Drivers

Sales Growth Drivers

- Biotechnology drugs & vaccines
- Increasing adoption of single-use technologies
- Emerging regions
- New drug pipeline



**~ 60% of
BioPharmaceuticals
revenues come from the
Biologics market**

BioPharmaceuticals Strategy



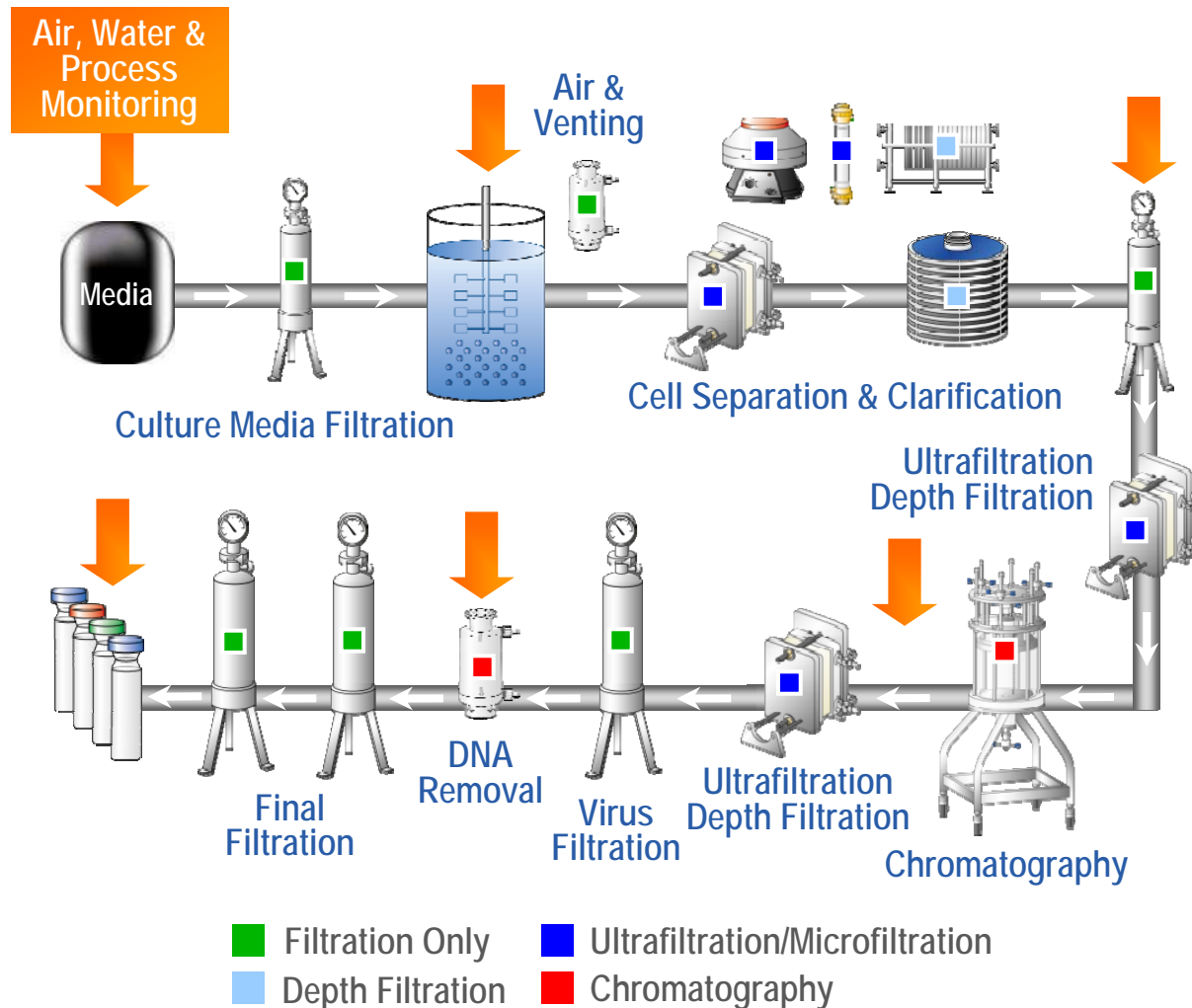
Our Total Fluid Management strategy is based on 3 elements:

- Technology
- Applications knowledge
- World-class, local customer support

Over the last few years we have:

- Broadened our technology portfolio both organically and through acquisition
- Strengthened customer service by improving sales channels and technical support
- Invested resources in key biotechnology regions

Total Fluid Management in Biotechnology



- Biological manufacturing is a multiple step process with filtration and separation requirements at each stage
- Our business is driven both by manufacturing volumes and the number of steps in each specific process utilizing Pall products
- Pall is now one of the few companies able to offer the wide range of technologies used in the development and manufacture of Biologically based therapeutics



Pall Corporation

Second Quarter Fiscal 2011 Results

Lisa McDermott
CFO & Treasurer
March 11, 2011

Earnings Recap Q2 FY 2011 vs. Q2 FY 2010

For the Quarter

- Net earnings were \$75.7 million vs. \$49.6 million
- EPS of 64¢ vs. 42¢
- Pro forma EPS of 68¢ vs. 42¢

For the Six Months

- Net earnings were \$147.1 million vs. \$116.6 million
- EPS of \$1.25 vs. 98¢
- Pro forma EPS of \$1.29 vs. 82¢

P&L Highlights: Second Quarter Year-over-Year Comparison

<i>\$ in millions (except EPS)</i>	Q2 FY 11	Q2 FY 10	Change	
Sales	\$645.2	\$560.4	15.1%	<ul style="list-style-type: none"> Multi-dimensional growth – all regions and all markets Consumables up 13%, systems up 47% in LC
Gross Profit	\$332.5	\$284.3	17.0%	<ul style="list-style-type: none"> Improvement driven by Industrial manufacturing cost reductions outpacing inflation
% to sales	51.5%	50.7%	80 bps	<ul style="list-style-type: none"> Favorable mix
SG&A	\$197.1	\$187.0	5.4%	<ul style="list-style-type: none"> Investments in global ERP system and emerging regions
% to sales	30.5%	33.4%	(290 bps)	<ul style="list-style-type: none"> Leveraging top line growth Cost containment
EBIT ⁽¹⁾	\$114.6	\$78.6	45.8%	<ul style="list-style-type: none"> Excludes ROTC of \$4.8 primarily related to closure of manufacturing plant
% to sales	17.8%	14.0%	380 bps	
Net Income	\$75.7	\$49.6	52.5%	<ul style="list-style-type: none"> Underlying tax rate of 27.2% reflecting tax benefits of the European Headquarters vs. 31.6% in Q2 FY10
% to sales	11.7%	8.9%	280 bps	
Pro forma Net Income ⁽¹⁾	\$80.4	\$49.6	62.0%	
% to sales	12.5%	8.9%	360 bps	
Diluted EPS	\$0.64	\$0.42	52.4%	<ul style="list-style-type: none"> Average shares outstanding reduced to 118,266 in Q2 FY 2011 from 119,290 in Q2 FY 2010
Pro forma Diluted EPS ⁽¹⁾	\$0.68	\$0.42	61.9%	

(1) See Reconciliation of Non-GAAP Financial Measures to their GAAP Counterparts in Appendix.

P&L Highlights:

First Half Year-over-Year Comparison

<i>\$ in millions (except EPS)</i>	1H FY 11	1H FY 10	Change	
Sales	\$1,250.7	\$1,107.3	12.9%	<ul style="list-style-type: none"> Double digit growth in BioPharm, MicroE and Aeropower in LC Double digit growth in WH, High single digit growth in Europe and Asia in LC Double digit growth consumables and systems in LC
Gross Profit	\$641.2	\$554.5	15.6%	<ul style="list-style-type: none"> Favorable market mix, including benefit of sales channel changes Manufacturing efficiencies offsetting inflation Industrial improvement in factory utilization and overhead absorption driven by volume growth
% to sales	51.3%	50.1%	120 bps	
SG&A	\$379.4	\$363.7	4.3%	<ul style="list-style-type: none"> Investments in global ERP system and emerging regions Increased variable costs Leveraging top line growth
% to sales	30.3%	32.8%	(250 bps)	
EBIT ⁽¹⁾	\$220.8	\$154.9	42.5%	
% to sales	17.7%	14.0%	370 bps	
Net Income	\$147.1	\$116.6	26.1%	<ul style="list-style-type: none"> Underlying tax rate reduced about 4% YOY to 27.2 % resulting in bottom line contribution of almost \$9M
% to sales	11.8%	10.5%	130 bps	
Pro forma Net Income ⁽¹⁾	\$152.9	\$97.7	56.5%	
% to sales	12.2%	8.8%	340 bps	
Diluted EPS	\$1.25	\$0.98	27.6%	<ul style="list-style-type: none"> Average shares outstanding reduced to 118,102 in 1H FY 2011 from 119,028 in 1H FY 2010
Pro forma Diluted EPS ⁽¹⁾	\$1.29	\$0.82	57.3%	

(1) See Reconciliation of Non-GAAP Financial Measures to their GAAP Counterparts in Appendix.

P&L Highlights: Sequential Comparison

<i>\$ in millions (except EPS)</i>	Q2 FY 11	Q1 FY 11	Change	
Sales	\$645.2	\$605.5	6.6%	<ul style="list-style-type: none"> Life Sciences 7% growth, Industrial 6% growth Growth in all markets except Aeropower
Gross Profit	\$332.5	\$308.7	7.7%	<ul style="list-style-type: none"> Margin improvement in both businesses Favorable mix in Life Sciences Manufacturing cost savings in industrial
% to sales	51.5%	51.0%	50 bps	
SG&A	\$197.1	\$182.3	8.1%	<ul style="list-style-type: none"> Annual payroll increase and stock grants Increase for variable-based compensation/expenses Increase in depreciation for ERP system
% to sales	30.5%	30.1%	40 bps	
EBIT ⁽¹⁾	\$114.6	\$106.2	7.9%	
% to sales	17.8%	17.5%	30 bps	
Net Income	\$75.7	\$71.4	6.0%	<ul style="list-style-type: none"> Underlying tax rate maintained at about 27%
% to sales	11.7%	11.8%	(10 bps)	
Pro forma Net Income ⁽¹⁾	\$80.4	\$72.5	11.0%	
% to sales	12.5%	12.0%	50 bps	
Diluted EPS	\$0.64	\$0.61	4.9%	<ul style="list-style-type: none"> Average shares outstanding increased from 117,821 in Q1 FY 2011 to 118,266 in Q2 FY 2011
Pro forma Diluted EPS ⁽¹⁾	\$0.68	\$0.62	9.7%	

(1) See Reconciliation of Non-GAAP Financial Measures to their GAAP Counterparts in Appendix.

Segment Highlights: Industrial

Second Quarter Year-over-Year Comparison

<i>\$ in millions</i>	Q2 FY 11	Q2 FY 10	Change	
Sales	\$311.0	\$263.1	18.2%	<ul style="list-style-type: none"> ▪ Consumables up 14.5% in LC – growth across all markets ▪ Systems up ~40% in LC – driven by Municipal Water in the WH
Gross Profit	\$147.8	\$117.6	25.6%	
% to sales	47.5%	44.7%	280 bps	<ul style="list-style-type: none"> ▪ Impact of favorable mix ▪ Cost savings initiatives driven by manufacturing
SG&A	\$91.9	\$87.7	4.8%	
% to sales	29.6%	33.3%	(370 bps)	
R&D	\$7.9	\$6.5	21.0%	
% to sales	2.5%	2.5%	-	
Operating Profit	\$47.9	\$23.4	104.7%	<ul style="list-style-type: none"> ▪ Leverage of top line relative to cost base
% to sales	15.4%	8.9%	650 bps	

Segment Highlights: Life Sciences

Second Quarter Year-over-Year Comparison

<i>\$ in millions</i>	Q2 FY 11	Q2 FY 10	Change	
Sales	\$334.2	\$297.3	12.4%	<ul style="list-style-type: none"> ▪ Consumables up 11.5% in LC – driven by Pharmaceutical and Laboratory ▪ Systems up 70% in LC
Gross Profit	\$184.7	\$166.7	10.8%	<ul style="list-style-type: none"> ▪ Inflation, including the effect of exchange rates on foreign currency denominated sourced goods primarily in the Euro-Zone
% to sales	55.3%	56.1%	(80 bps)	<ul style="list-style-type: none"> ▪ Unfavorable absorption of manufacturing overhead ▪ Favorable mix including the benefit of sales channel changes offset
SG&A	\$88.2	\$86.2	2.3%	
% to sales	26.4%	29.0%	(260 bps)	
R&D	\$12.9	\$12.1	6.3%	
% to sales	3.9%	4.1%	(20 bps)	
Operating Profit	\$83.6	\$68.4	22.4%	<ul style="list-style-type: none"> ▪ 25% operating margin – significant breakthrough
% to sales	25.0%	23.0%	200 bps	

Liquidity and Working Capital

<i>(\$ in millions)</i>	YTD FY11	YTD FY10
Operating Cash Flow	\$ 156	\$ 156
CapEx	(60)	(63)
Free Cash Flow	\$ 96	\$ 93
Other Significant Uses of Cash:		
Stock Buybacks	\$ (30)	\$ (25)
Dividends	(37)	(34)
Repayment under financing facilities	(133)	(2)
Acquisition of business	-	(9)
Days in Cash Conversion Cycle*	145	155

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

FY 2011 Outlook

	03/11/11 Current ⁽⁵⁾	12/10/10 Prior
Total Pall Sales ⁽¹⁾	High single to low double digits	Mid to high single digits
Life Sciences Sales ⁽¹⁾	High single to low double digits	Mid to high single digits
Industrial Sales ⁽¹⁾	High single to low double digits	Mid to high single digits
Gross Margin	50.0% – 51.0%	50.0% – 51.0%
SG&A	< 30%	≤30%
Life Sciences Operating Margin	24% – 24.5%	22.8% – 23.8%
Industrial Operating Margin	16% – 16.5%	14.5% – 15.5%
Pro forma EBIT ⁽²⁾	17.5% – 18.5%	16.5% – 17.5%
Income Tax Rate ⁽³⁾	~27.0%	~27.0%
Pro forma EPS – Diluted ⁽⁴⁾	\$2.80 – \$2.90	\$2.48 – \$2.63
\$ in millions		
Operating Cash Flow	\$435 – \$460	\$435 – \$460
Capex	\$170 – \$180	\$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)

(5) 2011 Outlook as presented on March 11, 2011

Appendix: Reconciliation of Non-GAAP Financial Measures

\$ Amounts in Millions, Except Per Share Amounts

Second Quarter	Q2 FY11	Q2 FY11	Q2 FY10	Q2 FY10
	\$ Amount	Per Share Amount	\$ Amount	Per Share Amount
Earnings/diluted EPS as reported	\$ 75.7	\$ 0.64	\$ 49.6	\$ 0.42
Interest adjustments, after pro forma tax	-	-	-	-
Tax adjustments	-	-	-	-
ROTC, after pro forma tax effect	4.7	0.04	-	-
Total pro forma adjustments	4.7	0.04	-	-
Pro forma earnings/diluted EPS	\$ 80.4	\$ 0.68	\$ 49.6	\$ 0.42

Six Months	6 Months FY11	6 Months FY11	6 Months FY10	6 Months FY10
	\$ Amount	Per Share Amount	\$ Amount	Per Share Amount
Earnings/diluted EPS as reported	\$ 147.1	\$ 1.25	\$ 116.6	\$ 0.98
Interest adjustments, after pro forma tax	-	-	(7.4)	(0.06)
Tax adjustments	-	-	(14.2)	(0.12)
ROTC, after pro forma tax effect	5.8	0.04	2.7	0.02
Total pro forma adjustments	5.8	0.04	(18.9)	(0.16)
Pro forma earnings/diluted EPS	\$ 152.9	\$ 1.29	\$ 97.7	\$ 0.82

Appendix: Reconciliation of Non-GAAP Financial Measures

Full Year 2011 Guidance	EPS	
	Low End	High End
Guidance range	\$ 2.76	\$ 2.86
ROTC, after pro forma tax effect*	<u>0.04</u>	<u>0.04</u>
Pro forma guidance range	<u>\$ 2.80</u>	<u>\$ 2.90</u>

* Q2 First Half FY 2011 Actuals

Appendix: Reconciliation of Non-GAAP Financial Measures – Second Quarter

<i>(amounts in millions)</i>	Q2 FY11	Q2 FY11 Estimated Impact of FX	Q2 FY11 Estimate Excluding FX	Q2 FY10	% Change Excluding FX
Sales:					
BioPharmaceuticals	\$ 179.5	\$ (2.0)	\$ 181.5	\$ 147.0	23.6%
Medical	102.3	(1.5)	103.8	100.4	3.3%
Food & Beverage	52.4	(1.3)	53.7	49.9	7.5%
Life Sciences	\$ 334.2	\$ (4.8)	\$ 339.0	\$ 297.3	14.0%
Aeropower	\$ 106.6	\$ (1.3)	\$ 107.9	\$ 96.6	11.6%
Energy & Water	127.6	-	127.6	105.5	21.0%
Microelectronics	76.8	2.8	74.0	61.0	21.4%
Industrial	\$ 311.0	\$ 1.5	\$ 309.5	\$ 263.1	17.7%
Total Pall	\$ 645.2	\$ (3.3)	\$ 648.5	\$ 560.4	15.7%
SG&A	\$ 197.1	\$ (2.1)	\$ 199.2	\$ 187.0	6.5%

Appendix: Reconciliation of Non-GAAP Financial Measures – Six Months

<i>(amounts in millions)</i>	6 Months FY11	6 Months FY11 Estimated Impact of FX	6 Months FY11 Estimate Excluding FX	6 Months FY10	% Change Excluding FX
Sales:					
BioPharmaceuticals	\$ 341.0	\$ (4.7)	\$ 345.7	\$ 290.2	19.1%
Medical	200.8	(3.4)	204.2	196.1	4.1%
Food & Beverage	104.0	(3.2)	107.2	99.1	8.2%
Life Sciences	\$ 645.8	\$ (11.3)	\$ 657.1	\$ 585.4	12.2%
Aeropower	\$ 223.2	\$ (2.9)	\$ 226.1	\$ 191.7	18.0%
Energy & Water	230.0	(1.6)	231.6	212.7	8.8%
Microelectronics	151.7	4.6	147.1	117.5	25.2%
Industrial	\$ 604.9	\$ 0.1	\$ 604.8	\$ 521.9	15.9%
Total Pall	\$ 1,250.7	\$ (11.2)	\$ 1,261.9	\$ 1,107.3	14.0%
SG&A	\$ 379.4	\$ (4.7)	\$ 384.1	\$ 363.7	5.6%

Appendix: Reconciliation of Non-GAAP Financial Measures – Second Quarter

Operating Profit (\$ in millions)	Q2 FY11	Q2 FY10
Life Sciences operating profit	\$ 83.7	\$ 68.4
Industrial operating profit	47.9	23.4
Total operating profit	131.6	91.8
General corporate expenses	(17.0)	(13.2)
Earnings before ROTC, interest & income taxes	114.6	78.6
ROTC	(4.8)	(0.5)
Interest expense, net	(5.8)	(5.7)
Earnings before income taxes	\$ 104.0	\$ 72.4

Appendix: Reconciliation of Non-GAAP Financial Measures – Six Months

Operating Profit (\$ in millions)	6 Months FY11	6 Months FY10
Life Sciences operating profit	\$ 156.8	\$ 132.9
Industrial operating profit	93.3	47.6
Total operating profit	250.1	180.5
General corporate expenses	(29.3)	(25.6)
Earnings before ROTC, interest & income taxes	220.8	154.9
ROTC	(6.2)	(4.6)
Interest expense, net	(13.1)	(3.1)
Earnings before income taxes	\$ 201.5	\$ 147.2



ENABLING A
GREENER
FUTURESM

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