

PENTAIR INC  
Form 425  
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PENTAIR  
PENTAIR  
Investor Presentation  
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Chairman and Chief Executive Officer  
May, 2012  
Filed by Pentair, Inc.

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Subject Company: Pentair, Inc.

Registration Number: 333-181250

PENTAIR

2

## FORWARD-LOOKING STATEMENTS

### Caution Concerning Forward-Looking Statements

This communication may contain certain statements about Pentair, Inc. ( Pentair ), Tyco Flow Control International Ltd. ( Tyco Flow ) and Tyco Flow Control International Ltd. ( Tyco ) that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. The forward-looking statements about the expected effects on Pentair, Tyco Flow and Tyco of the proposed merger of Pentair and Tyco Flow (the Merger), Pentair's and Tyco Flow's anticipated standalone or combined financial results and all other statements in this document that are preceded or followed by or that include the words targets , plans , believes , expects , intends , will , would , expect , positioned , strategy , future or words, phrases or terms of similar substance or the negative thereof are forward-looking statements. These forward-looking statements are based on the current expectations of the management of Pentair, Tyco Flow and Tyco (as the case may be) and are subject to uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements.



PENTAIR

3

PENTAIR

WINNING RIGHT

Well Positioned for Future Success & Sustainable Growth

Clear Growth Agenda

Targeted Investments, Focused Resource Allocation and Prioritized Investments

Positioning to Win in the New

New World

Growing Population & Wealth of Developing Economies Create Tremendous Opportunity for Pentair

Increasing Presence in Fast Growth Regions

Pentair Integrated Management System Key to Value Creation

Operational Excellence, Lean Improvements and Repositioning Benefits

One-Year Anniversary of Rapid Growth Process

Well Positioned for Sustainable, Profitable Growth in 2012 & Beyond

Focused on Generating Strong, Sustainable Shareholder Returns

PENTAIR  
4  
Making  
Significant  
Progress  
Towards  
Vision  
A  
diversified  
industrial  
growth  
company

A  
global  
enterprise  
and  
responsible  
citizen  
known  
for  
operational  
excellence,  
innovation,  
top  
talent  
and  
growing  
by  
serving  
customers  
well

Delivering  
superior  
long-term  
shareholder  
value

OUR VISION

PENTAIR

5

A Decade of Positive Transformation

~

20%

20%

of Sales

in Fast Growth

Region

~

5%

5%

of Sales  
in  
Fast Growth  
Regions  
Expanded Tech  
Product Offerings,  
Acquired  
~  
\$200M  
in Sales  
~  
17%+  
17%+  
ROS  
Tech Product  
Business  
Today  
Today  
Early  
Early  
2000 s  
2000 s  
Mid-  
Mid-  
2000 s  
2000 s  
Tools Largest  
Business  
Sold Tools,  
Acquired >\$1B in  
Water Revenues  
Portfolio of ~25  
Smaller Businesses;  
Manufacturing  
Oriented  
Global Water  
Business,  
Product Focus  
More Global Filtration  
Sales, Acquired  
A  
Leading  
Leading  
Membrane  
Membrane  
Technology  
Technology  
Company  
Began Lean  
Enterprise in

Tech Products  
A HISTORY OF CHANGE  
Announced Pending  
Merger with  
Tyco Flow Control  
Tyco Flow Control

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6

More than a Decade of Differentiated Performance

A HISTORY OF PERFORMANCE

\*Total shareholder return of Pentair and S&P 500 from close on 12/31/2000 through close on 3/31/2012

TOTAL SHAREHOLDER RETURN\* OF PENTAIR AND S&P 500

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7

SALES BY PLATFORM

SALES BY PLATFORM

SALES BY GEOGRAPHY

SALES BY GEOGRAPHY

SALES BY VERTICAL

SALES BY VERTICAL

~2/3 Water & Fluid;

~1/3 Technical Products

Balanced Portfolio with  
Attractive Growth Prospects

Leading Brands; Solid  
Distributor Network  
Diverse Businesses, Geographies, & Vertical Markets

Fast Growth Region Mix Up  
from ~9% in 2005

Key Growth Regions include  
China, Latin America,  
India & Middle East

Strength in Diversity of  
Verticals Served

More Advanced Water  
Systems Across Verticals

United

States

(61%)

Developed

Non-US

(21%)

Fast

Growth\*

(18%)

Residential

(~36%)

Commercial

(~11%)

Industrial &

Agriculture

(~44%)

Infrastructure

(~9%)

US ~2/3

Non US ~1/3

Technical

Products

Flow

Treatment /

Process

Aquatic

Water &

Fluid Solutions

A

DIVERSE,

GLOBAL

COMPANY  
2011  
REVENUE  
OF  
\$3.5B

\* Fast Growth Regions include China, Latin America, India, SE Asia, Eastern Europe, the Middle East and Africa

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8

2009

2010

2011

2011 PERFORMANCE

A RECORD YEAR

2009

2010

2011

2009

2010

2011

RECORD SALES

Adj.

ROS

\*

9.6%

ROS

11.0%

\$2.7

\$3.0

\$1.47

\$2.00

Strong Year

Well Positioned for Future Growth

Broad-Based Growth Across

Diverse Portfolio

Productivity Initiatives Driving

Operating Margins Higher

Continuing to Deliver Strong

Earnings Growth

\$3.5

Adj.

ROS

\*

11.7%

\$2.41

SALES

(\$B)

ADJ. OPERATING INCOME

\*

(\$M)

ADJ. DILUTED EPS

\*

(\$)

+13%

2-YR CAGR

+25%

2-YR CAGR

\$258

\$334

\$404

STRONG PROFITS

RECORD EARNINGS

+28%

2-YR CAGR

\* Results are adjusted and from continuing operations; see reconciliations in appendix.

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9

\$0.88

\$0.01

1976

1985

1995

2005

2012

Pentair Has Increased Dividends for 36 Consecutive Years

\*Dividends adjusted for splits and stock adjustments. \*\*All results are on an adjusted basis. See reconciliation in appendix.

2009

2010

2011

Adj. NI

FCF in excess of Adj. NI

Free Cash Flow Conversion

Consistently >100% of Adj.

Net Income

\$207M

\$211M

\$248M

**STRONG CASH FLOW GENERATION**

**FREE CASH FLOW**

\*\*

**ANNUALIZED DIVIDENDS**

\*

Strong Free Cash Flow Conversion

Fuels Dividend Growth

Dividend

Payout Ratio

Currently >30%

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10

Adj. Op Income Up 10%

Adj. Op Margins 11.3%

Up 20 bps

Volume/Acq.

(0.8 pts.)

Price/Productivity

+3.0 pts.

Inflation  
(2.0 pts.)  
Adj. EPS Up 23%

Adj. Effective Tax Rate ~20%  
(ETR ~29% excl. discrete tax item benefit)

Adj. Interest Up ~\$7M  
Q1 Free Cash Flow of (\$82M)

Normal Seasonality and Timing

On Track to Deliver FY FCF >100% of NI

\* All year-over-year comparisons against 2011 adjusted results.

\*\* CPT refers to the acquisition of Norit's Clean Process Technologies Business; Closed May 12, 2011

#### FINANCIAL HIGHLIGHTS

##### SUMMARY

Sales Up 9%  
(Incl. +9 pts from CPT  
\*\*  
& (1 pt) from FX)

Water & Fluid Up 14%

Technical Products Down (1%)

Western Europe Plus Lower Flood-Related Pump  
Sales Negatively Impacted Top-Line

Double Digit Growth in Industrial, Energy,  
Agriculture and Pool

Pricing, Lean & Repositioning Drove Margins  
up YoY, Despite Acquisition Impact

Below the Op Line, Lower Taxes YoY More than  
Offset Higher Interest and Diluted Shares  
Strong Execution Drove Double Digit Adj. Op Income Growth

#### Q1 '12 PENTAIR RESULTS

\*

as presented on April 24, 2012

Q1 '12

Q1 '11

Sales

\$858M

\$790M

Op Income

(Rpt.)

\$85M

\$86M

Op Income

(Adj.)

\$97M

\$88M

ROS

(Adj.)

11.3%

11.1%

EPS

(Rpt.)

\$0.61

\$0.51

EPS

(Adj.)

\$0.64

\$0.52

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11

Flow (~40% of Water & Fluid Solutions Sales Mix)

-

Expect W. Europe & Municipal Headwinds to Continue  
in 1H; Easier Comparisons in 2H

Treatment/Process (~38% of Sales Mix)

-

Expect Industrial/Energy to Remain Strong;  
Stabilized US Residential with Easier 2H Comparisons

-  
Expect W. Europe Headwinds to Continue; Expect Fast  
Growth Regions Sales to Improve

Aquatic (~22% of Sales Mix)

-  
Significant Pool Installed Base; Expect Good Demand  
with Eco-Select Products Growing Beyond Market

-  
Brazil Acquisition Expected to Benefit Sales >\$10M

SALES

GROWTH

EXPECTATIONS

(FY

2012)

as

presented

on

April

24,

2012

Nice Growth in Many Verticals

Mitigating W. Europe & Muni Headwinds

Water &

Fluid

Solutions,

69%

Technical

Products,

31%

Industrial

37%

Communications

20%

Energy

11%

General Electronics

11%

Commercial

7%

Infrastructure

6%

Other

8%

WATER & FLUID SOLUTIONS (FY 12)

TECHNICAL PRODUCTS (FY 12)

SALES MIX BY SEGMENT

Strength in [Breadth of Portfolio](#)

&

Alignment with [Global Mega Trends](#)

Expect Attractive Growth in  
Industrial and Energy

Softness in  
Electronics and Communications  
Expected to Continue

Lumpy Telecom Program Impact 1H ~\$15M YOY

Solid Growth in  
Commercial and Infrastructure  
Expected to Continue

Residential

52%

US

68%

Non-US

32%

Industrial

18%

Commercial

13%

Municipal

11%

Agriculture

6%

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12

FY 12 FINANCIAL OUTLOOK

KEY HIGHLIGHTS

New Products, Expanded Distribution and Fast  
Growth Regions Expected to Fuel Growth

Expect Better Price/Cost, More Productivity  
and Prioritized Investments to Expand Margins

Expect to Generate FCF > Net Income, with

Disciplined Allocation

Integration Planning & Leadership is Critical

Tyco Flow Deal Not Reflected in this Outlook

Growth and Productivity Strategies In Place

Well Positioned in 2012

FULL YEAR 2012 PENTAIR OUTLOOK

\*

as presented on April 24, 2012

FY 12

FY 11

Sales

~\$3.7B

\$3.46B

Op Income

(Rpt.)

\$433M -

\$458M

\$169M

Op Income

(Adj.)

\$445M -

\$470M

\$404M

ROS

(Adj.)

up 50 bps -

80 bps

11.7%

EPS

(Rpt.)

\$2.62 -

\$2.77

\$0.34

EPS

(Adj.)

\$2.65 -

\$2.80

\$2.41

Adj. Op Income Up 10% -

16%

Adj. Op Margins Up 50 bps -

80 bps

Water & Fluid Margins, Up ~50 bps

Technical Products Margins, Up ~100 bps

Adj. FY EPS Up 10% -

16%

Adj. Tax Rate 26% -  
27%

Adj. Interest Up ~\$8M YoY  
Sales Up 6% -  
8%  
(incl. ~3pts from CPT Acq.)

Water & Fluid Up 8% -  
10%

Technical Products Up 2% -  
4%

\*  
2012  
full  
yearoutlook  
does  
not  
include  
any  
future  
impact  
from  
Tyco  
Flow  
Deal;  
All  
year-over-year  
comparisons  
against  
2011  
adjusted  
results.

FY 12 Free Cash Flow ~\$270M

Expect >100% Net Income Conversion

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13

POSITIONED TO SERVE THE NEW  
NEW WORLD

Breadth and Expertise to Serve the New  
New World

Industrialization

Infrastructure

Resource Scarcity

Quality of Life

>4 Billion Reaching

Middle Class Globally

Needs and Wants Are  
Driving Demand  
Increasing Population and Wealth  
of the New  
New World  
Food  
Infrastructure/Industry  
(Transportation and Manufacturing)  
Energy

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14

CLEAR VISION, CONSISTENT STRATEGY

Clear Path Forward for Growth and Value Creation

Invest in **Innovative Technology**  
& Application Expertise

Innovate  
Around Scarcity, Energy  
Efficiency and Sustainability

Continue to Build Scale in **Fast**  
Growth Regions

Taking PIMS to the Next Level  
and Leveraging New **Rapid**  
Growth  
Tool

STRATEGIC PRIORITIES

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15

\$57

\$62

\$58

\$67

\$78

1.7%

1.9%

2.1%

2.2%

2.3%

2007

2008

2009

2010

2011

(\$M)

% of Sales

Salt-less Water Softener,  
featuring Hybrid  
Deionization Technology

Liquid Natural

Gas Filtration

System

High Capacity

In-Row Cooling

Units

Investing in Pentair's Future and Growth

INVESTING IN INNOVATION

Beer Membrane Filtration

Award-Winning Fish Friendly

Pump

RESEARCH AND DEVELOPMENT

Qingdao Enclosure Design Center

O<sub>2</sub>

Gehaltemeter

for Optimizing

Beverage Quality

Energy-Efficient IntelliFlo

Variable Speed Pool Pump

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16

Building Global Scale and Enhancing Growth Prospects

Fast Growth

\*

9%

Developed

Non-US

18%

Fast Growth

\*

18%

Developed  
Non-US  
21%  
2005 Sales  
\$2.9B  
United  
States  
73%  
United  
States  
61%

Addressing the Growing  
Demands of the New  
New World

Broad Array of Solutions  
with Growing Application  
Expertise and Regional  
Focus

More Advanced  
Production Capabilities &  
Expanded Capacity

2011 Sales  
\$3.5B

**GEOGRAPHIC SALES MIX**

**INCREASING OUR GLOBAL PRESENCE**

\* Fast Growth Regions include China, Latin America, India, SE Asia, Eastern Europe, the Middle East and Africa

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17

Safety, Quality, Delivery, Cost and Cash Focus

Attracting and Developing Top Talent

Prioritizing Investments & Innovation

Building Growth Capabilities

GLOBAL

TALENT

SYSTEM

PeopleSoft

Staffing

Performance

Rewards

Development

PeopleSoft

Staffing

Performance

Rewards

Development

LEAN

ENTERPRISE

EXECUTING OUR PROVEN STRATEGY

PIMS Roadmap Is Key to Value Creation

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18

Well-Positioned to Serve the New  
New World

-

Growing Population and Wealth of Developing Economies  
A World-Leading ~\$7.7B

\*

Industrial Growth Company

-

A Global Leader in Flow, Filtration and Equipment Protection  
PENDING PENTAIR & TYCO FLOW MERGER, **Previously Announced**

A Great Industrial Combination  
Strong from the Start

-

More Global, More Diverse and More Scale  
Stronger in the Future

-

Projected ~\$0.40 Accretive to 2013 EPS; Expect 2015 EPS of >\$5.00

-

Expect ~\$200M annual operational cost synergies with full realization by Yr 3

-

Expect Debt/Proforma 2013 EBITDA of ~1.3x

1

2

3

4

\* Combined projected 2012 pro forma revenues. Tyco Flow financials calendarized to December.  
As Presented on March 28, 2012

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19

Two Global Leaders

A Powerful Combination

A Global Leader in Industrial

Valves and Controls

Strong Regional Leader in Water  
and Environmental Solutions

A Global Leader in Industrial

Heat Management Solutions

Strong Lean/Six Sigma Journey

Strong Cash Flow Generation

Broad Global Reach

PENDING PENTAIR & TYCO FLOW CONTROL COMBINATION

Emerging Presence in Industrial

Fluid Processing Solutions

A Global Leader in Water Flow  
and Filtration Applications

A Global Leader in Equipment  
Protection Solutions

Proven Operational Excellence  
and Lean Discipline

Strong Cash Flow Generation

Building Global Presence

STRENGTHENS FLUID

PROCESS SOLUTIONS

EXTENDS WATER

OFFERINGS

ADVANCES THERMAL

CAPABILITIES

ENHANCES

GROWTH POTENTIAL

As Presented on March 28, 2012

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20

Water & Environ.

Water & Fluid

Thermal Controls

Technical Products

Valves & Controls

Flow Control

**STRONG STRATEGIC FIT**

Complementary Capabilities to Best Serve Customers

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SALES BY SEGMENT

TYCO FLOW

SALES BY SEGMENT

COMBINED COMPANY SALES

2012 *pro forma* PROJECTED SALES ~\$7.7B\*

Water &

Fluid

Solutions,

~70%

Technical

Products,

~30%

Valves &

Controls,

~60%

Water &

Environ.,

~20%

Thermal

Controls,

~20%

Projected 2012 Sales: ~\$3.7B

Projected 2012 Sales: ~\$4.0B\*

Technical

Products,

~30%

EP

FC

W&F

Water &

Fluid

Solutions,

~45%

Equipment

Protection

Solutions,

~25%

Flow

Control,

~30%

\* Tyco Flow financials calendarized to December.

As Presented on March 28, 2012

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21

SERVING HIGHLY ATTRACTIVE GROWTH SECTORS

Driven By Strong Secular Growth Trends

Increased Scale in Attractive Growth Sectors

Sales Mix: Estimated 35% Project

DIVERSE VERTICALS

COMBINED 2012 *pro forma* PROJECTED SALES MIX

Industrial,

~35%

Energy,

~25%

Infrastructure,

~10%

Comm 1,

~10%

Industrial

Performance & Quality

Efficiency

Hazardous

Energy

Efficiency

Unconventional

Technology

Global Water

Scarcity

Regulation

Sustainability

Infrastructure

Aging

Capacity Needs

Urbanization

SECULAR TRENDS DRIVING DEMAND

Residential,

~20%

As Presented on March 28, 2012

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22

EXPANDED GLOBAL REACH

Fast Growth Regions ~25% of Combined Sales

~40%

US & CANADA

~35%

DEVELOPED

REST OF WORLD

WORLDWIDE

>100 Manufacturing Facilities

>90 Service Centers

>30,000 Employees  
Significant US Residential  
Installed Base  
US Industrial Sector  
Strength  
Continued Increase in  
Demand for Oil and Gas,  
Power  
Broader Offering,  
Recognized Brands, Plus  
Service Centers in Large,  
Fragmented Market  
Rising GDP and  
Urbanization Driving  
Infrastructure, Energy  
& Water Demands  
Robust Industrial Sector  
Greater Scale in Fast  
Growth Regions Across  
All Businesses  
~25%

**FAST GROWTH  
REGIONS**

As Presented on March 28, 2012

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23

Operating/G&A Cost Synergies: ~\$160M

Direct/Indirect Sourcing Opportunities

Lean/PIMS in Factories: Deploy in Tyco Flow

IT/Finance/HR Standardization

Management and Regional Business Integration

Day One

Cost Avoidance: ~\$40M

~\$80M Public Company Corporate Cost Avoidance,  
Net of ~\$40M Integration/Corporate Investments

Day One

Annualized Tax Rate of ~24-26%  
(Below the Operating Line)

Expect Annualized Tax Rate of ~24-26%

Revenue Synergies  
All Upside Potential

Cross-Selling of Channels, Verticals, Products and Services

Not Assumed in Accretion and Cash Flow Forecasts

VALUE CREATION POTENTIAL

Corp Cost

Avoidance

Tax

Synergies

Cost

Synergies

~\$1B in Value Day 1 from Corp Cost Avoidance + Taxes

RUN-RATE SYNERGY

Estimated One Time Costs of \$230M

(~1/3 is Non-Cash Inventory Step-Up Costs)

~\$200M of

Operational

Synergies

pre-tax

ANTICIPATED PRE-TAX SYNERGIES

As Presented on March 28, 2012

Expected

Annualized

Tax Rate of

~24-26%

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24

Direct/Indirect Sourcing

Benefit from Global Procurement and Indirect  
Sourcing Capabilities

Leverage Company-Wide Standard Vendor Lists

Insource/Resource Common Buys

Operations / Lean

PIMS Works

Proven Processes Utilizing

Standard Work and Cultural Influence

Global Structure

Significant Opportunity

Drive to Standard Systems and Processes in

IT/Finance/HR to Reduce G&A

Integrate and Leverage Regional Sales and Service

Locations

Focus in Fast Growth Regions

Pentair G&A ~7.5% of Sales

Tyco Flow SpinCo

>10.5%

No Reductions in R&D

**COST SYNERGY DRIVERS**

Expected Annual Cost Synergies of ~\$200M by 2015

2013

2014

2015

~\$90M

~\$150M

~\$200M

Direct/

Indirect

Sourcing

Ops/

Lean

Global

Structure:

G&A,

Selling/

Mkting

**EXPECTED Operational Cost SYNERGIES**

As Presented on March 28, 2012

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25

VALUE CREATION ROADMAP

Clear Strategy, Focused Execution and Proven Framework

CLEAR VISION,

CONSISTENT STRATEGY

PERFORM AT A

HIGHER LEVEL

EXECUTE OUR

PROVEN STRATEGY

LEVERAGE COMBINED

STRENGTHS

Focus on Key **Value**

Creation

Metrics:

-  
Organic Sales Growth +  
Key Acquisitions

-  
Op Margin Expansion

-  
Prioritized Growth

-  
Cash Flow > NI

-  
ROIC

Based on the Pentair  
Integrated Management  
System (**PIMS**)

-  
Lean Enterprise

-  
Talent Process

-  
New Product  
Development Roadmap

-  
Rapid Growth Process  
Shared Vision and  
Win-Right

Culture

Leverage Process and  
Cash Flow Disciplines  
Strong Customer-Centric  
Business Models

Clear, Simple, Global  
Vision

based on New

New World

Shareholder Value

Creation Has Always  
Been Our #1 Goal

NEW

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26

INTEGRATION LEADERSHIP

Valves &

Controls

Thermal

Water &

Environ.

Pentair

Dedicated Resources to Capture Synergistic Potential

Leaders by Function

Business

Process  
Sourcing/  
Indirect  
Lean/RE  
Logistics  
Finance/IT  
Selling/  
Marketing  
HR/  
Culture  
Legal/  
Compliance  
Executive/  
Board

**INTEGRATION TEAM**

Reporting Directly to Chairman/CEO

**INTEGRATION LEADER**

Program Management Office (PMO)

Integration Team Will Consist of

~25

40 Proven Leaders

Primary Focus on Structure,  
Standardization, Indirect  
Spend, Direct Materials and  
On-Boarding

Function and Geographic  
Region Focus

Pentair + Tyco Flow  
Leadership

Supported by PMO Office

First 100 Days Plan Already  
Underway

As Presented on March 28, 2012

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27

Mega Trends in Favor  
of Combination

Complementary  
Extension of Product  
Offerings & Solutions  
More Scale, More Global and More Diverse

Broader Global Reach

Fast Growth Region  
Sales ~25%

Global Service and  
Sales Coverage

Increased Scale in High  
Growth Applications

Enhanced Product  
Offerings and Solutions

Diverse Customer Base  
US and  
Canada,  
~40%

Fast Growth  
Regions,  
~25%

Western  
Europe,  
~20%

COMBINED PENTAIR AND TYCO FLOW

Equipment  
Protection  
Solutions,  
~25%

Flow Control,  
~30%

Water &  
Fluid  
Solutions,  
~45%

BY APPLICATION

COMBINED 2012 *pro forma* PROJECTED SALES MIX

BY PLATFORM

COMBINED 2012 *pro forma* PROJECTED SALES MIX

BY GEOGRAPHY

COMBINED 2012 *pro forma* PROJECTED SALES MIX

Energy,  
~25%

Infrastructure,  
~10%

Comm 1,  
~10%

Residential,  
~20%

Industrial,  
~35%

Developed

Non-US,

~15%

As Presented on March 28, 2012

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28  
APPENDIX  
GAAP to Non-GAAP Measurements & Reconciliations

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29

REPORTED TO ADJUSTED 2012 RECONCILIATION

Pentair, Inc. and Subsidiaries

Reconciliation of the GAAP "As Reported" year ending December 31, 2012 to the "Adjusted" non-GAAP  
excluding the effect of 2012 adjustments (Unaudited)

Total Pentair

First Quarter

Year

In millions, except per-share data

2012

2012

Net sales

858.2

\$

approx \$3.700

Operating income - as reported

85.0

approx 433 - 458

% of net sales

9.9%

approx. 12%

Adjustments:

Deal related costs

11.8

11.8

Operating income - as adjusted

96.8

approx 445 - 470

% of net sales

11.3%

approx. 12%+

Net income attributable to Pentair, Inc. - as reported

60.8

approx 265 - 281

Interest expense

(1.2)

(1.2)

Adjustments net of tax

4.4

4.4

Net income from continuing operations attributable

to Pentair, Inc. - as adjusted

64.0

approx 268 - 284

Continuing earnings per common share attributable to Pentair, Inc. - diluted

Diluted earnings per common share - as reported

0.61

\$

\$2.62 - \$2.77

Adjustments

0.03

0.03

Diluted earnings per common share - as adjusted

0.64

\$

\$2.65 - \$2.80

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30

Pentair, Inc. and Subsidiaries

Reconciliation of the GAAP "As Reported" years ending December 31, 2011, December 31, 2010 and December 31, 2009 to the "Adjusted" non-GAAP excluding the effect of adjustments (Unaudited)

Year

Year

Year

In millions, except per-share data

2011

2010

2009

Net sales

3,456.7

\$

3,030.8

\$

2,692.5

\$

Operating income - as reported

168.5

\$

334.2

\$

219.9

\$

% of net sales

4.9%

11.0%

8.2%

Adjustments:

CPT deal related costs

8.3

Restructuring and asset impairment

12.9

37.9

Inventory step-up and customer backlog

13.4

Goodwill impairment

200.5

Operating income - as adjusted

403.6

334.2

257.8

% of net sales

11.7%

11.0%

9.6%

Net income from continuing operations attributable  
to Pentair, Inc. - as reported

34.2

197.8

115.5

Adjustments net of tax

206.5

26.2

Bond tender

3.2

Net income from continuing operations attributable  
to Pentair, Inc. - as adjusted

240.7

197.8

144.9

Continuing earnings per common share attributable to Pentair, Inc. - diluted

Diluted earnings per common share - as reported

0.34

\$

2.00

\$

1.17

\$

Adjustments

2.07

0.30

Diluted earnings per common share - as adjusted

2.41

\$

2.00

\$

1.47

\$

REPORTED TO ADJUSTED RECONCILIATIONS (2011, 2010, 2009)

PENTAIR

31

Note: Inventory step-up and customer backlog reflect amortization of fair market value step-up associated with inventory and  
REPORTED TO ADJUSTED 2011 RECONCILIATION

Pentair, Inc. and Subsidiaries

Reconciliation of the GAAP "As Reported" year ending December 31, 2011 to the "Adjusted" non-GAAP  
excluding the effect of 2011 adjustments (Unaudited)

Total Pentair

First Quarter

Second Quarter

Third Quarter

Fourth Quarter

Year

In millions, except per-share data

2011

2011

2011

2011

2011

Net sales

790.3

\$

910.2

\$

890.5

\$

865.7

\$

3,456.7

\$

Operating income - as reported

86.2

109.4

92.9

(120.0)

168.5

% of net sales

10.9%

12.0%

10.4%

(13.9%)

4.9%

Adjustments:

CPT deal related costs

1.7

6.1

0.5

8.3

Restructuring

2.1

10.8

12.9

Inventory step-up and customer backlog

0.2

5.3

5.8

2.2

13.5

Goodwill impairment

200.5

200.5

Operating income - as adjusted

88.1

120.8

100.8

94.0

403.7

% of net sales

11.1%

13.3%

11.3%

10.9%

11.7%

Net income attributable to Pentair, Inc. - as reported

50.5

66.7

51.1

(134.1)

34.2

Adjustments net of tax

1.3

8.8

6.6

189.8

206.5

Net income from continuing operations attributable  
to Pentair, Inc. - as adjusted

51.8

75.5

57.7

55.7

240.7

Continuing earnings per common share attributable to Pentair, Inc. - diluted

Diluted earnings per common share - as reported

0.51

\$

0.67

\$

0.51

\$

(1.36)

\$

0.34

\$

Adjustments

0.01

0.08

0.07

1.92

2.07

Diluted earnings per common share - as adjusted

0.52

\$

0.75

\$

0.58

\$

0.56

\$

2.41

\$

PENTAIR

32

GAAP TO NON-GAAP RECONCILIATION

Pentair, Inc. and Subsidiaries

Reconciliation of Free Cash Flows for the years ending December 31, 2011, December 31, 2010 and December 31, 2009

(Unaudited)

In millions

2011

2010

2009

Free Cash Flow

Net cash provided by (used for) continuing operations

320.2

\$

270.4

\$

259.9

\$

Capital expenditures

(73.3)

\$

(59.5)

\$

(54.1)

\$

Proceeds from sale of property and equipment

1.3

\$

0.3

\$

1.2

\$

Free cash flow

248.2

\$

211.2

\$

207.0

\$

Pentair, Inc. and Subsidiaries

Reconciliation of Free Cash Flows for the three months ending March 31, 2012 and April 2, 2011

(Unaudited)

In millions

2012

2011

Free Cash Flow

Net cash provided by (used for) operating activities

(67.5)

\$

(48.2)

\$

Capital expenditures

(15.6)

\$

(13.3)

\$

Proceeds from sale of property and equipment

1.5

\$

0.1

\$

Free cash flow

(81.6)

\$

(61.4)

\$