Pentair

Pentair Overview

Goldman Sachs Global Industrials

Randall J. Hogan
Chairman and Chief Executive Officer

November 3, 2010

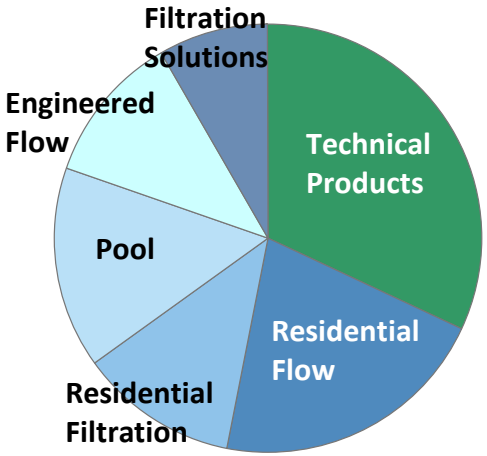
Any statements made about the company's anticipated financial results are forward-looking statements subject to risks and uncertainties such as the magnitude, timing and scope of recovery from the global economic downturn; the strength of housing and related markets; the risk that expected benefits from our recent restructuring and other cost reduction plans may not be fully realized, or may take longer to realize than expected; foreign currency effects; material inflation outpacing our productivity and pricing actions; retail, commercial and industrial demand; product introductions; and pricing and other competitive pressures, as well as other risk factors set forth in our SEC filings. Forward-looking statements included herein are made as of the date hereof, and the company undertakes no obligation to update publicly such statements to reflect subsequent events or circumstances. Actual results could differ materially from anticipated results.

Pentair Today

- Two Attractive Growth Segments: Water and Technical Products
  - Today's Global Trends Directly Align with Pentair's Global Solutions and Capability
- Clear Roadmap to Drive Differentiated Growth
  - Winning with Customer First Strategy
  - Growing Presence in Key Emerging Markets
  - Innovating in High Growth Verticals and Technologies
- Proven Pentair Integrated Management System to Fuel Ongoing Productivity and Lean Improvements
- Well Positioned to Deliver Long-Term Shareholder Value

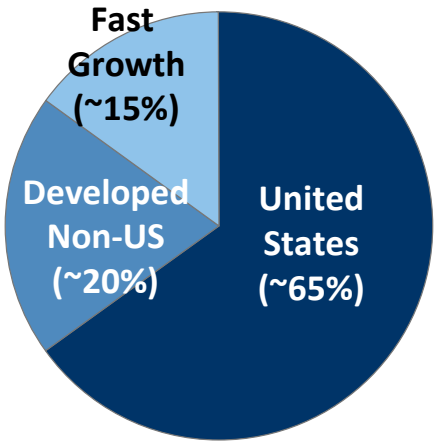
Today's ~$3 Billion Portfolio

By Global Business Unit



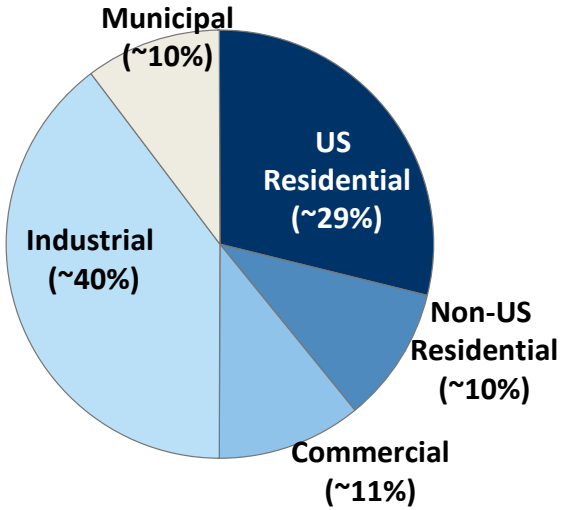
- Balanced Portfolio
- 2/3rds Water, 1/3 Technical Products
- Largest GBU 30% of Pentair

By Geography



- 15% of Portfolio in Fast Growth Regions
- Key Growth Opportunities in China, Latin America, India & Middle East

By Market

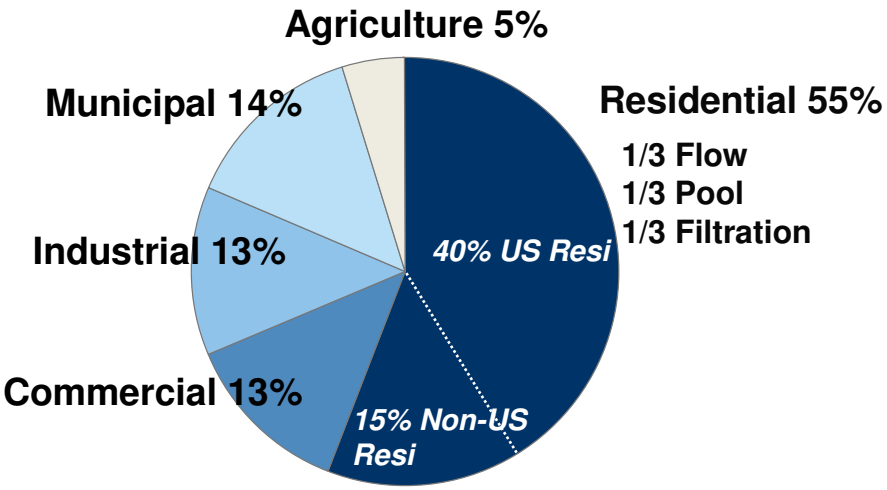


- Leading Brands across Verticals
- Strong Distributor Network
- Breadth of Portfolio

Diverse Businesses, Geographies, & Vertical Markets

Pentair Water: Uniquely Positioned

Major Market Sales Mix*



Geographic Split*

U.S.	65%
Developed Non U.S.	21%
Fast Growth	14%

Growth Drivers

- Uniquely Positioned … Participate in Every Aspect of the Water Cycle
- Leader in Residential Water Equipment
- Significant Expansion Opportunity in Fast Growth Regions
- Innovation in Filtration and Energy Efficiency
- Global Engineering and Manufacturing Capabilities

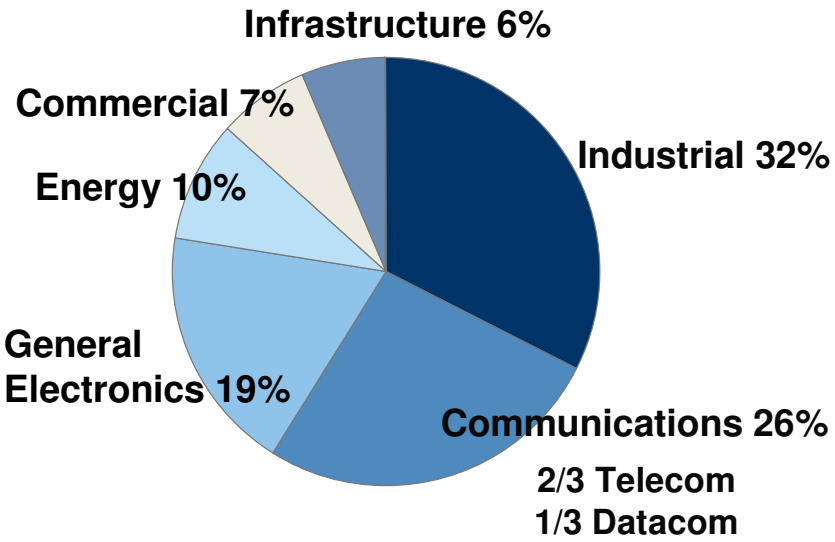
Innovation, Distribution and Fast Growth Regions Driving Growth

**As of end of year 2009*

Technical Products: Breadth & Depth

Serving Many Verticals

Sales Mix*



Geographic Balance*

U.S.	64%
Developed Non U.S.	24%
Fast Growth	12%

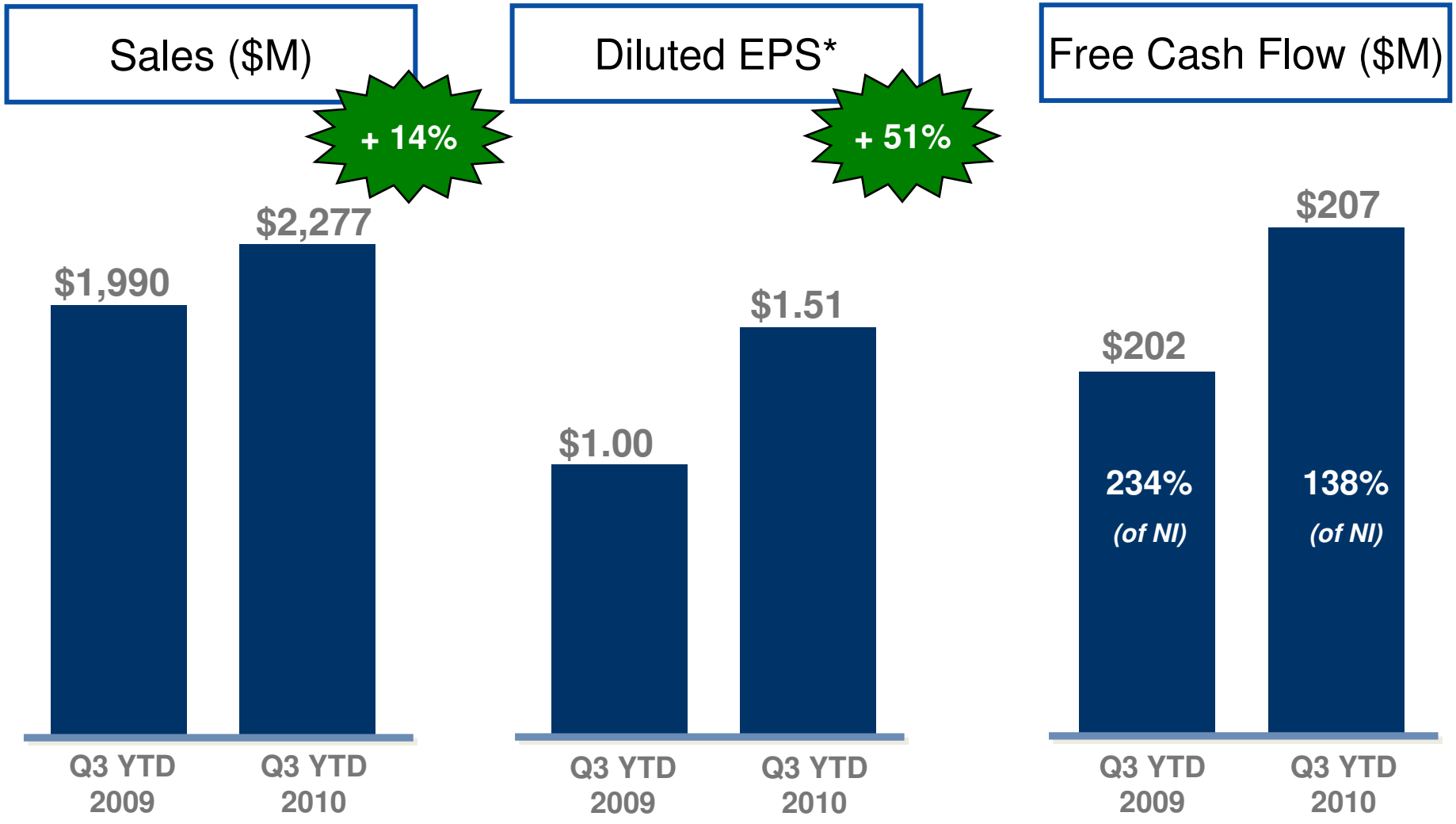
Growth Drivers

- Leading Brands and Strong Distributor Relationships
- Product Depth and Breadth: Standard, Modified, or Customized Solutions Provider
- Global Manufacturing Footprint
- Focus on Higher Growth Geographies and Vertical Markets: Datacom, Infrastructure, Energy and Industrial

Broad Offering … Global Scale … Strong Brands and Distribution

**As of end of year 2009*

Q3 YTD Results

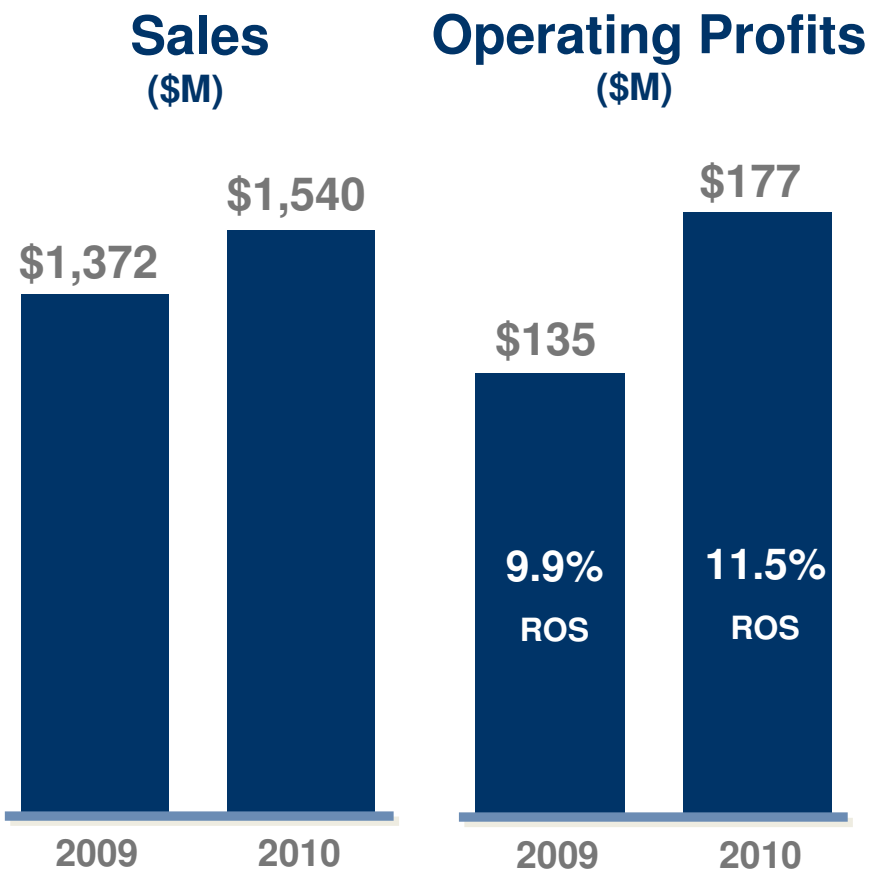


Growth Investments Yielding Positive Results

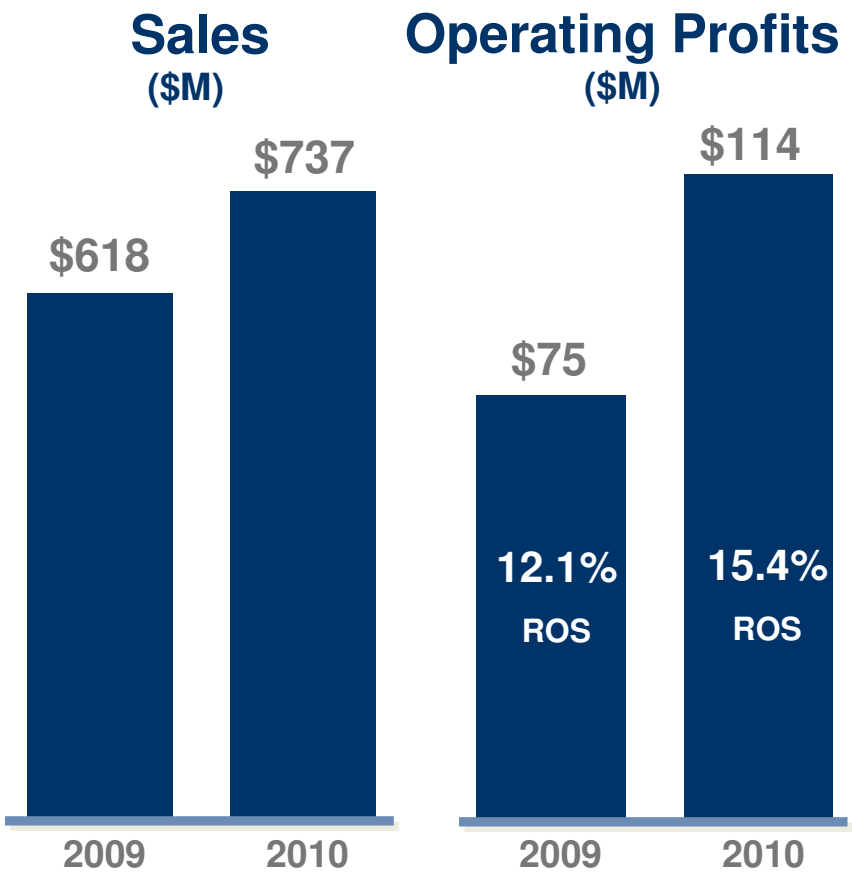
**2010 and 2009 Results From Continuing Operations; All Year over Year Comparisons Against 2009 Adjusted Results*

Q3 YTD Results: Water and Tech Products

Water
Q3 YTD Results*



Technical Products
Q3 YTD Results*



Solid Results and Good Progress in Both Segments

**2010 and 2009 Results From Continuing Operations; All Year over Year Comparisons Against 2009 Adjusted Results*

Good Progress in 2010

Strengthen Business Platforms

- R&D investment and new product development process yielding results
- Launched new products in 2010 at nearly double the 2009 pace
- Filtration and Water Reuse Systems gaining traction, building scalable business

Grow in Fast Growth Markets

- China up 30%, Latin America up +20%, India nearly doubling in FY '10
- Manufacturing in place, completed Suzhou expansion
- Recently added Filtration innovation lab in China
- Next phase: Expanding Distribution

Operational Excellence

- Driving Productivity to help fund investments and ~$50 million of reinstated employee benefits
- Focus on Water; More rooted Lean Principles, and Increasing Operational Excellence

Strong Cash Flow

- On track to deliver over $225 million in Free Cash Flow for the FY'10
- Expect to return ~$100 million to shareholders in dividends and share buybacks in 2010
- Flexibility for strategic acquisitions that increase capabilities and expand reach

Strengthening Pentair's Growth Profile

Global Growth Mega Trends

Energy Efficiency

- **Desalination**
  - Pumps & Pre-Filtration
- **Pool Equipment**
  - Residential, Hospitality
- **Industrial & Commercial**
  - Thermal Solutions

Environmental

- **On Site Treatment & Water Reuse**
  - Global and More Real
- **Bottled-Water Backlash**
  - "Refill Not Landfill"
- **Industry & Agriculture**

Infrastructure

- **New Economy Expansion**
  - M. East, India, SE Asia
- **Aging NA / Europe Equip.**
  - Municipal Flow
- **More Transportation, Communication & Power**

Regulation

- **Discharge Restriction**
  - Zero discharge
  - Restaurants: Fats/Oils
- **Water Conservation Rqmnt's**
  - Water Recycling

Health & Safety

- **Clean, Drinkable Water**
  - India, China, Africa Systems Solutions
- **Safer Enclosures**
- **Fire / Flood Prevention**
  - Flow Tech. Solutions

Industrialization

- **High Water Requirements**
  - Flow Technologies
- **"Pure" Water Processes**
  - Filtration Solutions
- **Higher Affluence Rqmnt's**
  - Flow, Filtration, Tech Pr.

… Continue to Provide Global Growth Opportunities

Growth Differentiators

Winning with "Customers First"

- Emphasis on High Growth Segments

Water		Technical Products
– Agriculture	– Retail	– Data Communications
– Desalination	– Global Systems	– Infrastructure
– On Site Treatment	– POU Filtration	– Energy

Product & Go-To-Market Innovation

- Keep Expanding in Fast Growth Markets
- Accelerate Product Innovation & Leading Technologies
- Better Penetration and Coverage

New Platforms

"Leading the Market"

- "Asked for by Name" Water Solutions Provider
- Emerging Water Reuse System
- Global Water Treatment Systems
- Smart Solutions

Robust Growth Pipeline with Disciplined Process

Committed to Investing in Growth

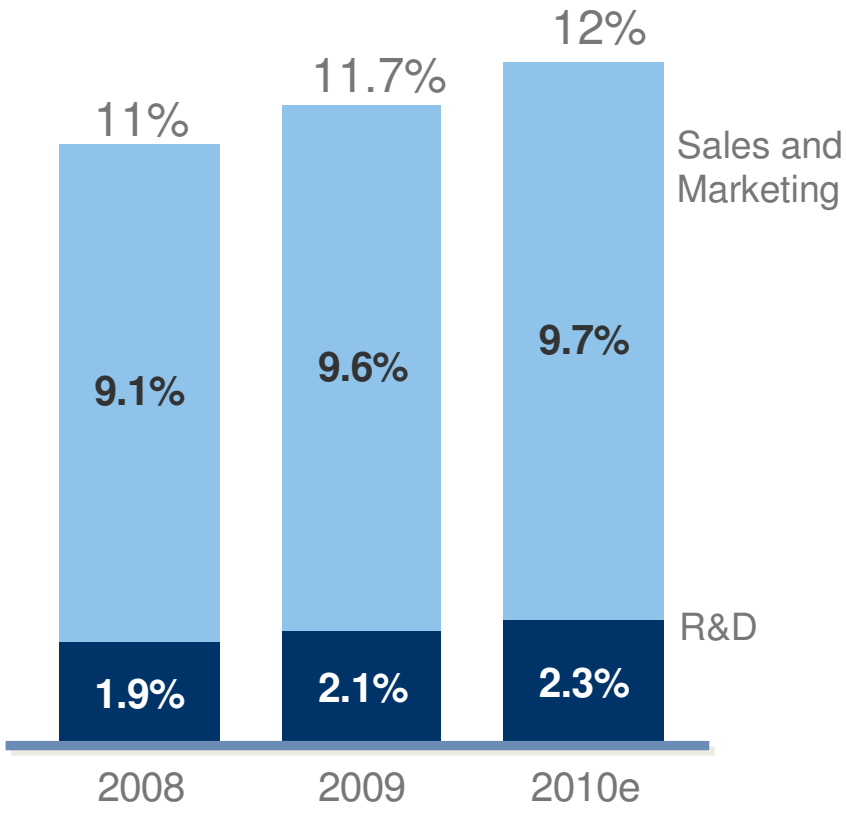
Innovative Products & Solutions

- Innovating with New Technologies
- Building New Products, Systems and Solutions
- Expanding Strategic Partnerships

Strong Distribution & Channels

- Leveraging the Pentair Brand
- Expanding Presence in China, India, and Latin America
- Driving Customer Connectivity

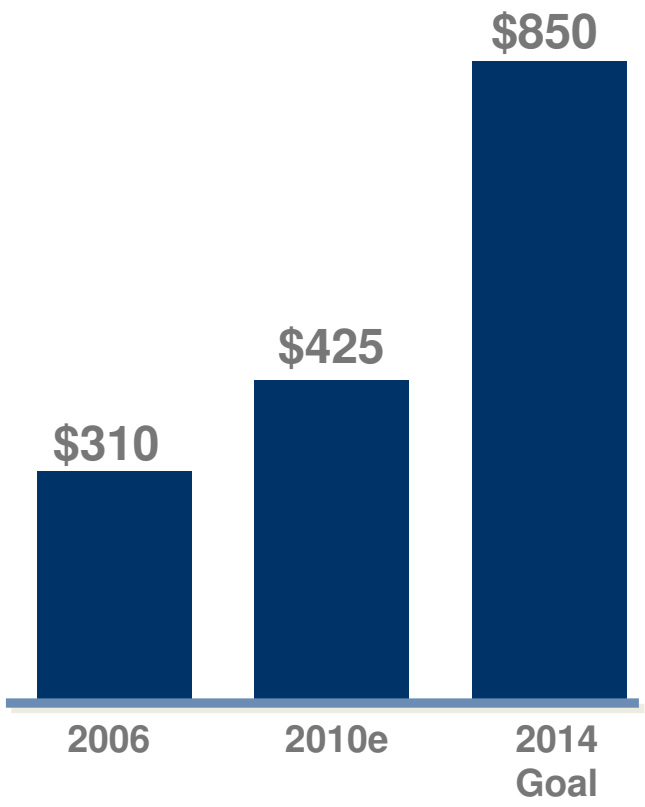
Investments
(as % of net sales)



Unleashing the Power of Pentair

Key Growth Markets

Fast Growth Market Sales ($M)

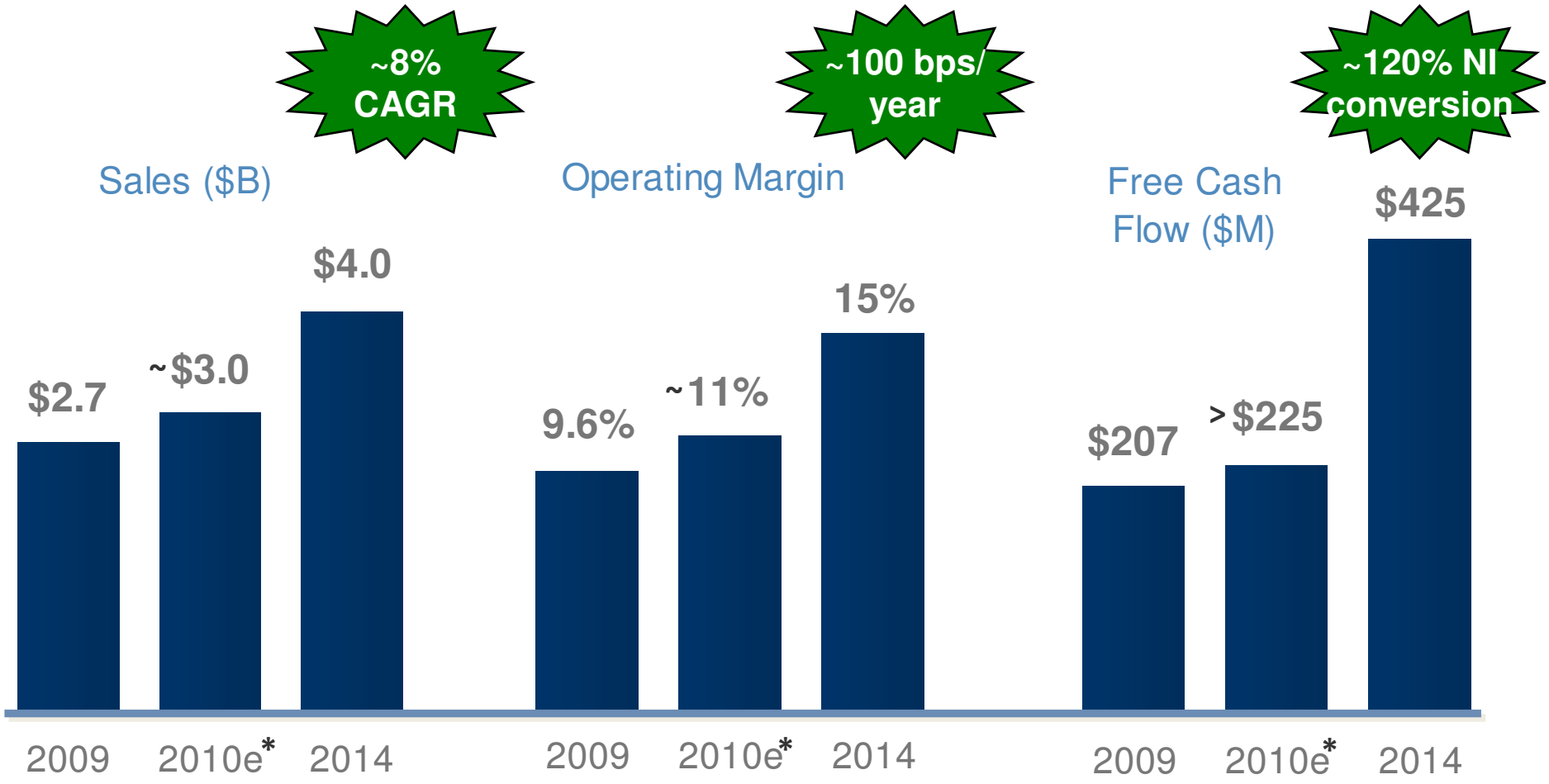


China, Latin America, India, Middle East

- **Local, Low Cost Production**
  - ~55% of headcount in 'best cost' countries
- **Localized Innovation and Design**
  - Design and Engineer Centers in India and China; New Center of Excellence for Filtration in 2011
  - >40% Engineering Resources in China & India
- **Building Strong Sales & Distribution Networks**
  - Adding Feet on the Street
  - Developing Channel Partners

Fast Growth Market Revenues Targeted to Double by 2014

Long Term Financial Targets



Despite Slow Market Recovery … Good Progress in 2010

** Per Pentair Earnings Call on October 26, 2010*