Pentair

KeyBanc Capital Markets Industrial, Automotive & Transportation Conference

John L. Stauch
Chief Financial Officer

May 30, 2013

FORWARD-LOOKING STATEMENTS

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This communication contains statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact are forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets," "plans," "believes," "expects," "intends," "will," "likely," "may," "anticipates," "estimates," "projects," "should," "would," "positioned," "strategy," "future" or words, phrases or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the ability to successfully integrate Pentair, Inc. and the Flow Control business and achieve expected benefits from the Merger; overall global economic and business conditions; competition and pricing pressures in the markets we serve; the strength of housing and related markets; volatility in currency exchange rates and commodity prices; inability to generate savings from excellence in operations initiatives consisting of lean enterprise, supply management and cash flow practices; increased risks associated with operating foreign businesses; the ability to deliver backlog and win future project work; failure of markets to accept new product introductions and enhancements; the impact of changes in laws and regulations, including those that limit U.S. tax benefits; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating goals. Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission, including in Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 30, 2013, and our 2012 Annual Report on Form 10-K. All forward-looking statements speak only as of the date of this communication. Pentair Ltd. assumes no obligation, and disclaims any obligation, to update the information contained in this communication.

CREATING A STRONGER COMPANY

PENTAIR		Tyco Flow Control
Emerging Presence in Industrial Fluid Processing Solutions	STRENGTHENS FLUID PROCESS SOLUTIONS	A Global Leader in Industrial Valves & Controls
A Global Leader in Water Flow and Filtration Applications	EXTENDS WATER OFFERINGS	Strong Regional Leader in Water and Environmental Solutions
A Global Leader in Equipment Protection Solutions	ADVANCES THERMAL CAPABILITIES	A Global Leader in Industrial Thermal Management Solutions
Proven Operational Excellence and Lean Discipline - PIMS	ENHANCES GROWTH POTENTIAL	Strong Lean/Six Sigma Journey
Strong Cash Flow Generation		Strong Cash Flow Generation
Building Global Presence		Broad Global Reach

Deal Successfully Closed September 28, 2012

SERVING THE WORLD'S BIGGEST NEEDS

A Growing Population with Increasing Wealth

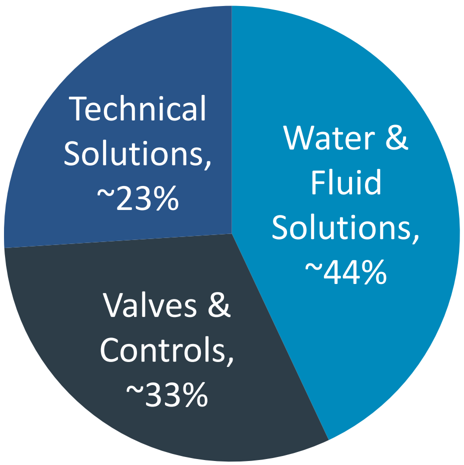
- Four-plus billion reaching middle class globally
- Increased needs of developing countries
- Desire for a higher quality of life

Has Created New Opportunities

Energy
Food
Clean Water

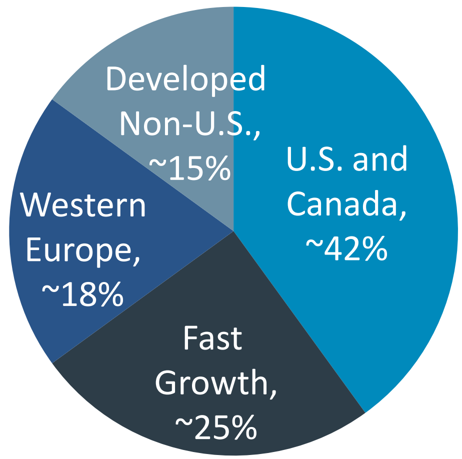
PENTAIR LTD. – 2012 SALES*

By Reporting Segment

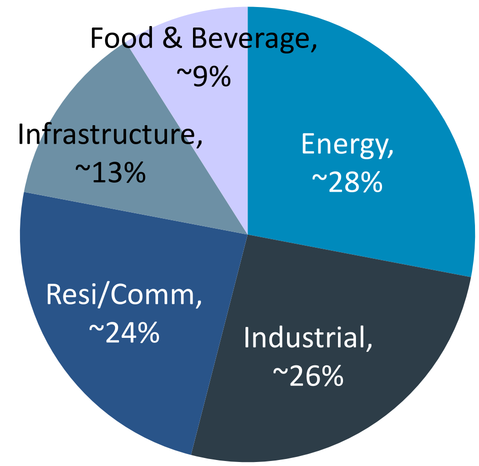


100% = $7.3B

By Geography



By Vertical



- Long & Short Cycle Balanced Portfolio
- Opportunities for Leverage Across Businesses

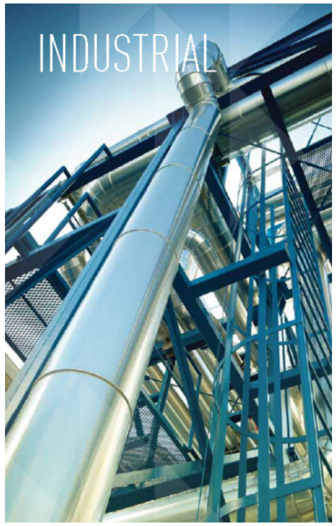
- Balanced Geographic Exposure with 25% in Fast Growth Regions
- Reducing Complexity in Fast Growth Regions in 2013

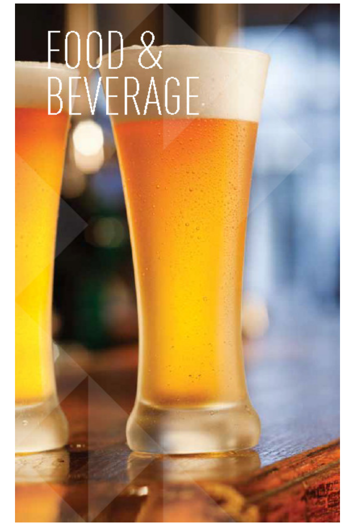
- NA Resi and Food & Beverage Remain Strong
- Energy Mixed Short-Term, but Long-Term Secular Trends Remain Intact
- Industrial Positioned for Second Half Improvement

Pentair has a Balanced Portfolio

** Adjusted results on a pro forma basis for the Flow Control acquisition. See appendix for reconciliation of non GAAP measures.*

KEY GROWTH VERTICALS





	Energy	Industrial	Residential & Commercial	Infrastructure	Food & Beverage
	• Oil & Gas • Power • Mining	• Chemical • Pharma • Manufacturing	• Commercial • Residential • Recreation & Leisure	• Municipal • Telecom & Networks • Transport	• Agriculture • Aquaculture • Food & Beverage
% of Sales*	~28%	~26%	~24%	~13%	~9%
LT Growth Rate	~4-6%	~2-3%	~5-8%	~Flat	~6-8%

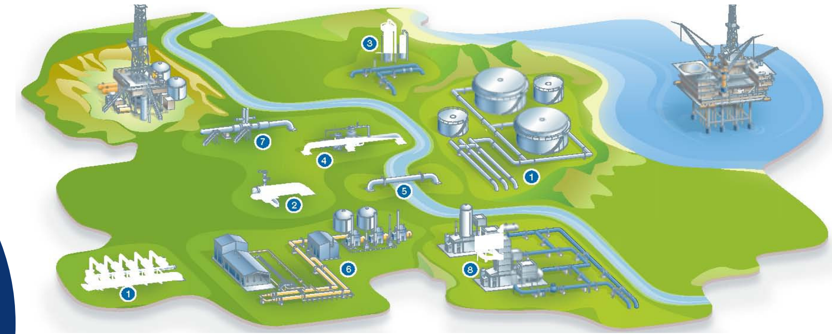
Leveraging Global Mega Trends

* *2012 sales. Adjusted results on a pro forma basis for the Flow Control acquisition. See appendix for reconciliation of non GAAP measures.*

EXAMPLE: **ENERGY -- OIL & GAS**

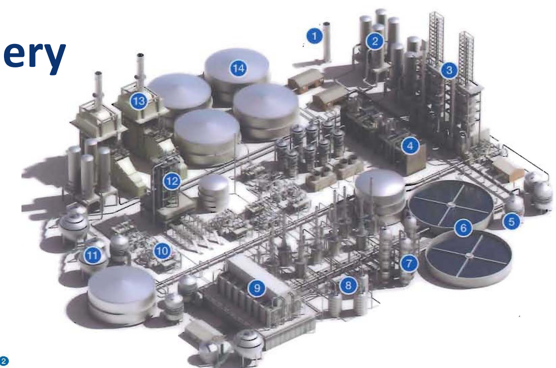
Drilling & Production

Pipeline & Storage



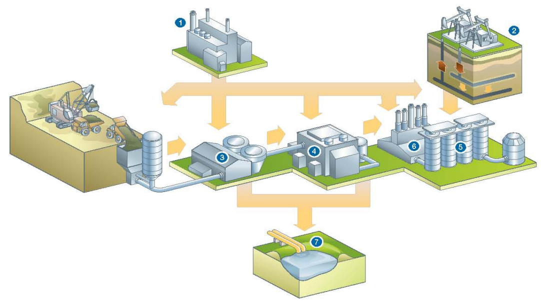
Valves, Pumps, Filtration, Separation Products, Monitoring & Control Systems, Thermal Management Systems, and Enclosed Solutions

Refinery



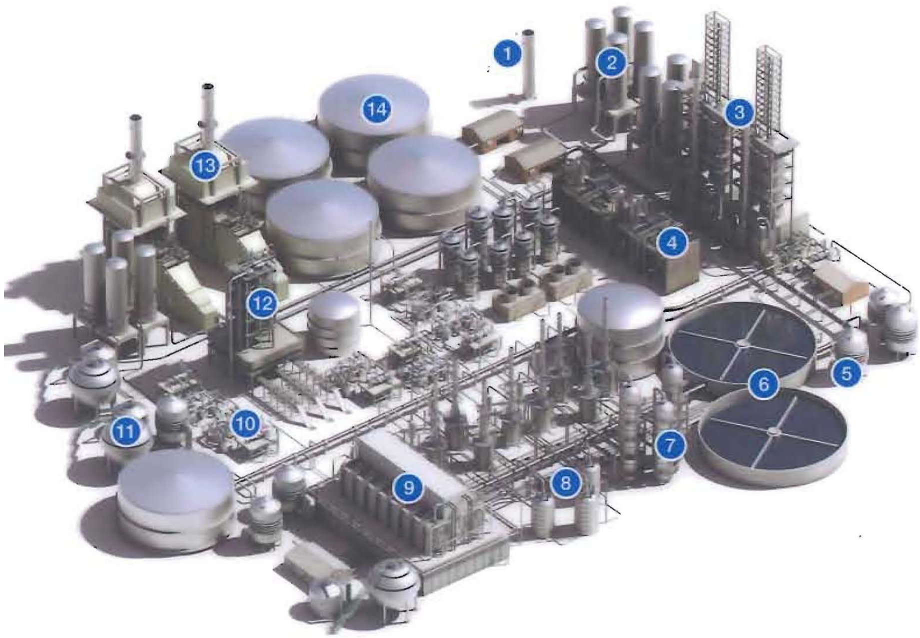
Floating Production, Storage & Offloading (FPSO)

Oil Sands Production



A Player in Oil & Gas Solutions Across Entire Market

ONE EXAMPLE: **PENTAIR VALVES IN REFINERY**

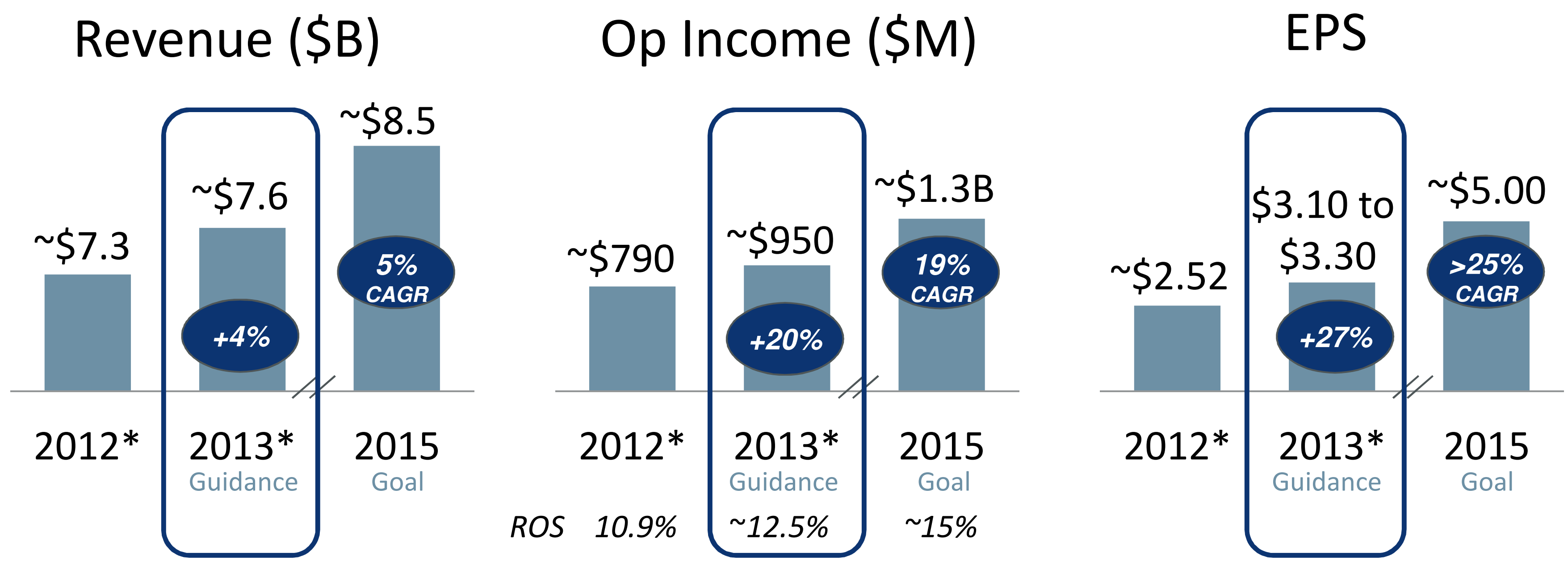


Refinery	What Valves Do Here	Pentair Offering
1 Flare System	Control of flare or ignition media, chemical injection and overpressure protection	PRV, Ball Valves, Automation, Control Valves, TOV, High Performance Butterfly Valves, Instrumentation Valves, Rupture Discs, Level Gauges and GGC
2 Hydrogen Plant	Control and isolation of gas and other phases during separation, overpressure protection and metering	PRV, Ball Valves, Automation, Control Valves, TOV, High Performance Butterfly Valves, Instrumentation Valves and GGC
3 Coker	Flow isolation, steam management and overpressure protection	Ball Valves, Actuators, Steam Traps, Desuperheaters, PRV, GGC and Control Valves
4 CCR	Flow control and isolation of feedstock, catalyst and finished product	Ball Valves, Automation, Knife Gate Valves, PRV, Instrumentation Valves, TOV, GGC and Control Valves

Refinery	What Valves Do Here	Pentair Offering
5 Utilities	Isolation and control, overpressure protection, recirculation and level control of steam, water and gas	ARC, Desuperheaters, Steam Traps, Butterfly Valves, PRV, Ball Valves, A&C, Plug Valves, Parallel Slide Valves, Blowdown Valves, Drain Valves, GGC, TOV and Control Valves
6 Water Treatment Plant	Control of water flow, purification and discharge	Resilient Seated Butterfly Valves, High Performance Butterfly Valves, GGC, Ball Valves, Automation, Instrumentation Valves and Knife Gate Valves
7 Distillation Column	Isolate and control flow associated with feedstock and fractions	PRV, GGC, Ball Valves, TOV, A&C, ESD, Control Valves, Instrumentation
8 Isomerization and Alkylation	Isolate and control flow associated with inlet and outlet and overpressure protection	PRV, GGC, Ball Valves, TOV, A&C, ESD, Control Valves and Instrumentation
9 Steam Generation	Isolation and control, overpressure protection, recirculation and level control of steam including waste heat boilers	ARC, Desuperheaters, Steam Traps, All Butterfly Valves, PRV, Ball Valves, A&C, Plug Valves, Parallel Slide Valves, Blowdown Valves, Drain Valves, GGC, TOV, Level Gauges, Feedwater Bypass Valves (Sempell) and Control Valves
10 Sulphur Recovery Unit	Isolate and control flow of gas, air or liquid associated with desulfurization process	PRV, Ball Valves, A&C, ESD, Control Valves, Instrumentation, Knife Gate Valves, ARC, Desuperheaters, Steam Traps, Butterfly Valves, Plug Valves, Parallel Slide Valves, Blowdown Valves, Drain Valves, GGC, TOV, Level Gauges and Feedwater Bypass Valves (Sempell)
11 Gas Plant	Isolate and control flow as gas from the distillation unit is processed and contaminants are removed	Ball Valves, A&C, Control Valves, PRV, Instrumentation, GGC and TOV
12 Hydrotreater	Flow control and isolation of feedstock, hydrogen and finished product	Ball Valves, Automation, PRV, Instrumentation Valves, TOV, Gate Valves, Check Valves and Control Valves
13 Hydrocracker	Flow control and isolation of feedstock, catalyst and finished product	Ball Valves, Automation, PRV, Instrumentation Valves, TOV, Gate Valves, Check Valves and Control Valves
14 Oil Movements and Tank Farm	Isolation, control and movement of incoming crude and outgoing products	Gate Valves, Check Valves, Ball Valves, TOV, A&C, Butterfly Valves, Flame Arresters, Vacuum Vents, Manway, Rupture Discs, Instrumentation, PRV and Blanketing Regulators

Example of _Pentair Valves & Controls_ in Refinery

FINANCIAL TARGETS



- **Revenue Growth Accelerating**
  - Higher Exposure to Energy … NA Residential Tailwind
- **Op Income Growth & EPS Driven by Base and IST**
  - ~10% CAGR on Base + Benefit of Integration & Standardization >$230M

Secular Growth, Synergies, and Disciplined Capital Allocation

** 2012 adjusted results and 2013 guidance on an adjusted pro forma basis, see appendix for reconciliation of non GAAP measures.*

CREATING SHAREOWNER VALUE

Base Business Performance

- Volume Growth
  - Our Markets Should Grow Faster than GDP
- Accelerate PIMS
  - Lean Enterprise
  - Talent Management
  - 3D Process for Innovation
  - Rapid Growth Process
- Price / Productivity vs. Inflation

'12-15: ~80 bps Margin Expansion

Accelerating Standardization

- Reduce Complexity – Driving Standardization Faster
- Abundant Functional Opportunities
  - Information Technology
  - Finance
  - G&A, etc.
- Transitioning Fast Growth Regions to ONE PENTAIR Face to Customer
- $135M of Sales Synergies

'12-15: ~80 bps Margin Expansion

Capital Allocation

- Maintain Investment Grade
- Dividend Increase (37 Straight Years)
- Organic Growth
- Self-Funded, Bolt-on Acquisitions
- Buybacks

Disciplined Capital Allocation

Growth + Standardization + Capital Allocation = ~12% ROIC by '15

TRANSFORMATION TO A HIGH-PERFORMANCE COMPANY

HOLDING	OPERATING COMPANY	HIGH PERFORMANCE
• Diversified Holdings • Entrepreneurial GBUs • Focus on Financial Metrics • Repositioned as an Industrial Company	• PIMS • Strategic Focus • Branding • Water and Technical Products Company	• Advancing and Maximizing PIMS • Leading in Key Regions and Verticals With Win-Win Solutions • Aligned Leadership and Engaged Workforce
1996 - 2001	**2001 - 2012**	**2013+**

Next Transformation is to a High Performance Company

PROVEN OPERATING DISCIPLINES

Pentair Integrated Management System

PIMS

Lean Enterprise

The Way We Drive Value to Our Customers Throughout All Our Business Processes by Reducing Waste and Improving Speed and Efficiency.

Talent Management

Our Global Talent Process Designed to Select, Develop and Retain Top Talent.

Growth

3D Process for Innovation

Works in Concert With Rapid Growth to Bring new products to Market Through Three Key Phases:

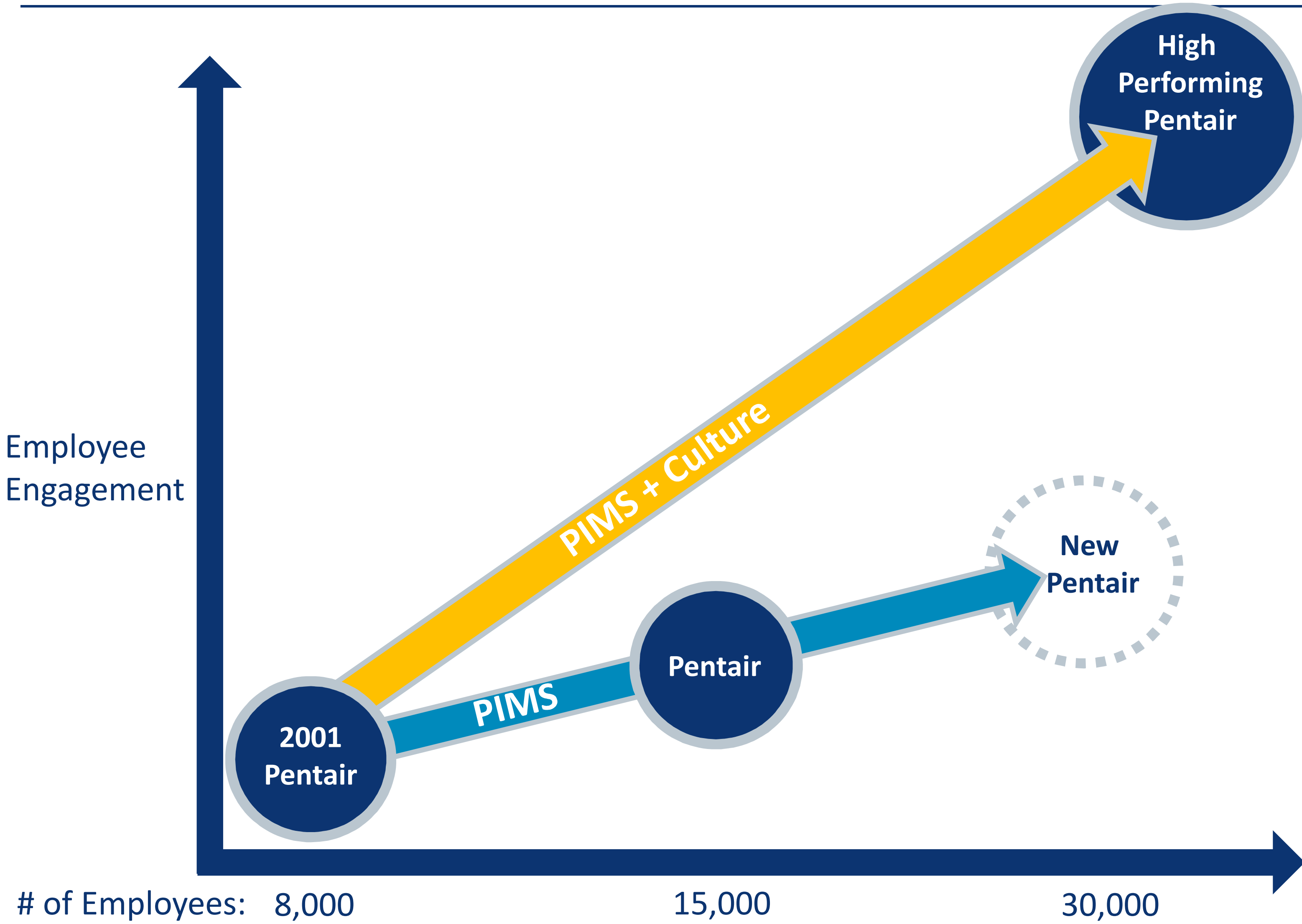
- Discover
- Develop
- Deploy

Rapid Growth Process

The Tools and Language to Drive Above-Average Growth Consistently

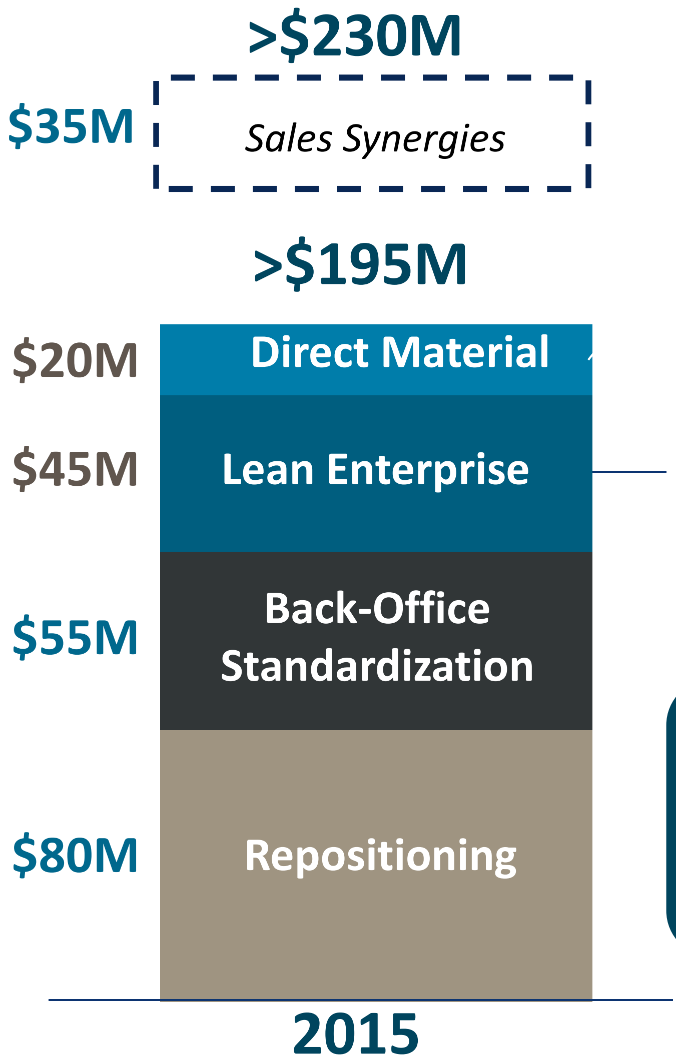
Proven Cultural Cornerstone

CULTURE IS A FORCE MULTIPLIER



Cultural Enhancement Drives High Performance

BUILDING FUNNELS FOR SYNERGIES



	2013	2015
Direct Material Synergies:	$10M	$20M
— $2.1B in Spend		
— Robust Funnel		
Lean Enterprise Synergies:	$10M	$45M
— Inside 100+ Factories		
— Logistics / Enterprise		

Indirect Synergies: $40M

— $0.8B in Spend

— Fast Start with Rapid Renegotiation

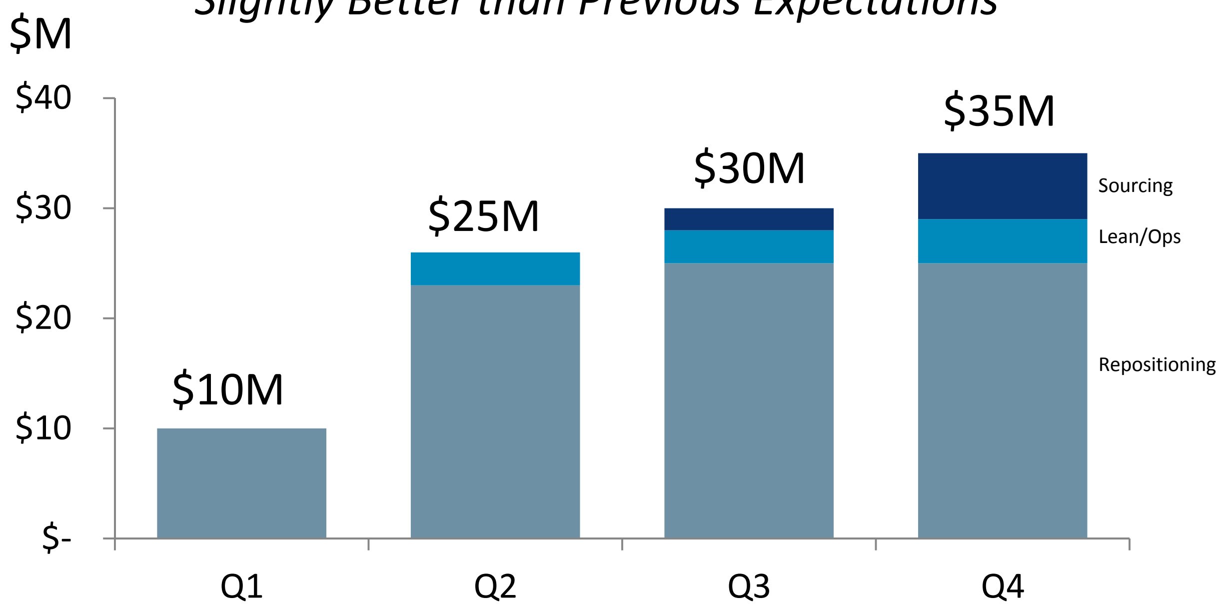
Indirect - Captured in Base Business & Back-Office

We have a Detailed Path to Deliver >$230M

INTEGRATION & STANDARDIZATION UPDATE

TIMING & SEGMENTATION OF 2013 IST BENEFIT

Expecting $100M of Synergies …
Slightly Better than Previous Expectations



- $80M of Full Year Repositioning Benefit Expected
- Lean Savings Expected at $10M+
- Sourcing Benefit Expected to be $10M+

STATUS

- Repositioning Actions Completed in Q1 … >$80M Expected
- Lean & Sourcing Benefit Accelerating as Teams Identify More Opportunities *(Momentum and Enthusiasm Building*)
- Still Plenty More Opportunities
- Accelerating Actions and Pipeline to Ensure 2014 and 2015 Performance

~$100M of Expected 2013 Benefit … On Track for >$230M by 2015

END STATE IST SCORECARD (MAJOR INITIATIVES)

	2012	2015
1. # of ERPs	>70	~20
2. Revenue per Factory	~$75M	~$100M
3. Lean Savings	Base	>$45M
4. On Time Delivery	~85%	~95%
5. Fast Growth Region Revenue	~$1.9B	>$2.5B
6. Tax Rate	~25%	< 23%
7. Cumulative Free Cash Flow (2013-2015)	Base	>$2.4B

Doing the Major Things Well

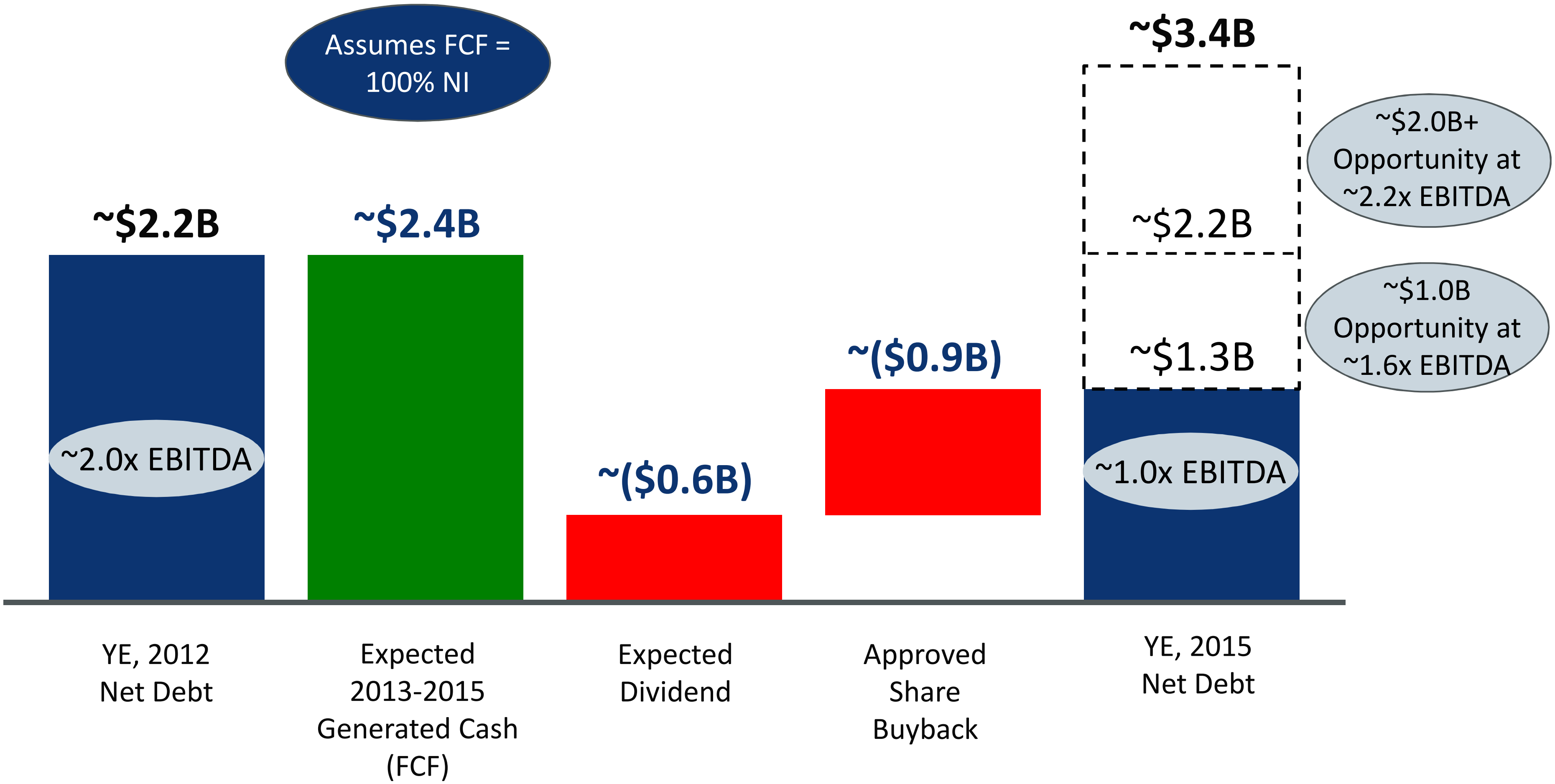
CAPITAL ALLOCATION PHILOSOPHY

Capital Allocation Uses (Assuming ~$2.4B Cumulative FCF from ’12-’15):

1. Committed to Maintain Investment Grade Rating
2. 37 Straight Years of Dividend Increases … Disciplined Cash Management and Return of Cash to Shareowners
3. Highest ROIC Comes From Funding Organic Growth Opportunities; Focus on Most Attractive Growth Platforms
4. Acquisitions or Share Repurchase: We Play in Attractive Spaces Where Opportunities are Plentiful … Bolt-on’s Focused on Channel Expansion, Technology, and Geographies

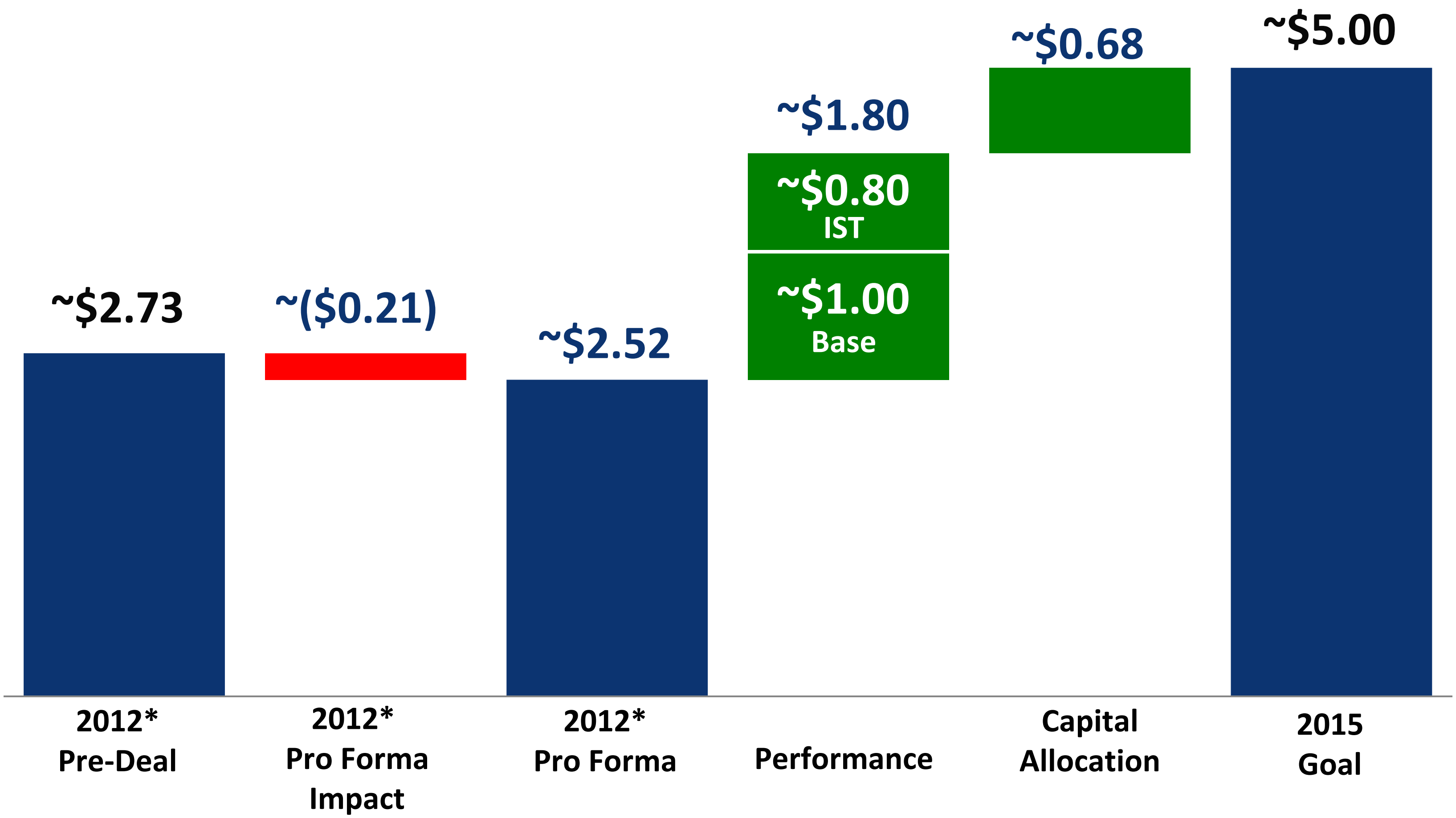
Disciplined Allocation Philosophy … Prioritized Towards ROIC

CAPITAL ALLOCATION 2013 - 2015



Targeting $2.4B of Free Cash Flow and $1.5B Return to Shareowners

VALUE CREATION



Road Map to ~$5.00 in EPS

* *2012 adjusted results and 2013 guidance on an adjusted pro forma basis, see appendix for reconciliation of non GAAP measures.*

Q2'13 PENTAIR OUTLOOK*

	Q2'13	Q2'12
Sales	~$1.9B	$1.9B
Op Income *(Rpt.)*	~$257M	$119M
Op Income *(Adj.)*	~$265M	$237M
ROS (Adj.)	*~13.6%*	*12.5%*
EPS *(Rpt.)*	$0.85-$0.88	$0.72
EPS *(Adj.)*	$0.88-$0.91	$0.77

KEY HIGHLIGHTS

- Healthy Backlogs and an Accelerating NA Residential Market Heading into Q2
- PIMS and Standardization Progress Encouraging and More Opportunities Identified
- Q2 is a "Seasonally" Strong Quarter for PNR
- Strong Margin Expansion YOY

Q2'13 FINANCIAL OUTLOOK

Sales Up ~3-4%

- Water & Fluid Solutions Up ~5-7%
- Valves & Controls Up ~1-3%
- Technical Solutions Down ~(0-2%)

Adj. Op Income Up ~12%

Adj. Op Margins ~13.6% … Up ~110 bps YoY

- Water & Fluid Solutions Margins, ~15.6%
- Valves & Controls Margins, ~12.8%
- Technical Solutions Margins, ~17.4%

Adj. EPS Up ~17%

- Tax Rate ~25%
- Net Interest ~$18.5M; Shares ~205M

Q2 Free Cash Flow Likely to Be Strong or >125% of Net Income

Seasonally Strong Q2, Synergy Benefits Ramping

** All year-over-year comparisons against 2012 adjusted results on a pro forma basis for the Flow Control acquisition. See Appendix for reconciliation of non GAAP measures.*

FULL YEAR 2013 PENTAIR OUTLOOK*

	FY'13	FY'12
Sales	~$7.6B	$7.3B
Op Income/(Loss) (Rpt.)	~$837M	($43M)
Op Income *(Adj.)*	~$950M	$790M
ROS (Adj.)	*~12.5%*	*10.9%*
EPS/(Loss) *(Rpt.)*	$2.74-$2.94	($0.84)
EPS *(Adj.)*	$3.10-$3.30	$2.54

KEY HIGHLIGHTS

- Expecting 3-4% Organic Revenue Growth
- PIMS Acceleration Across all GBU's
- Margins Expected to Increase by >150 bps to ~12.5% … All Segments Increasing
- ~$100M of IST Benefits in 2013 Forecast
- Efficient Capital Allocation Deployment

FY'13 FINANCIAL OUTLOOK

Sales Up ~4%

- Water & Fluid Solutions Up ~6%
- Valves & Controls Up ~3%
- Technical Solutions ~Flat

Adj. Op Income Up ~20%

Adj. Op Margins ~12.5% … Up ~160 bps YoY

- Water & Fluid Solutions Margins, ~13.2%
- Valves & Controls Margins, ~12.0%
- Technical Solutions Margins, ~19.1%

Adj. FY EPS Up ~26%

- Tax Rate ~25%
- Net Interest ~($72-$74M); Shares ~205M

FY'13 Free Cash Flow >100% Net Income Conversion

Growth and Productivity in Place … Well Positioned for 2013

** All year-over-year comparisons against 2012 adjusted results on a pro forma basis for the Flow Control acquisition. See Appendix for reconciliation of non GAAP measures.*

SUMMARY

- A New, Exciting Company That is More Balanced, More Global, and More Diversified
- PIMS is Proven and One Pentair Cultural Focus Will Drive Higher Performance
- Near-Term NA Residential Tailwind and Strength in Food & Beverage Offsetting Weak Infrastructure and Industrial
- Continued Positive Long-Term Secular Trends in Energy and Food & Beverage
- We Have Multiple Levers to Pull to Create Value

Well Positioned to Control our Destiny in 2013 and Beyond

APPENDIX

GAAP to Non-GAAP Measurements & Reconciliations

REPORTED TO ADJUSTED 2013 RECONCILIATION

Pentair Ltd. and Subsidiaries
Reconciliation of the GAAP "As Reported" year ended December 31, 2013 to the "Adjusted" non-GAAP excluding the effect of 2013 adjustments (Unaudited)

In millions, except per-share data		First Quarter 2013		Forecast Second Quarter 2013		Forecast Year 2013
Total Pentair						
Net sales	$	1,774	approx	$1,900	approx	$7,600
Operating income - as reported		74	approx	257	approx	837
% of net sales		*4.2%*	*approx*	*13.5%*	*approx*	*11.0%*
Adjustments:						
Inventory step-up and customer backlog		77	approx	8	approx	85
Restructuring and other		28		—	approx	28
Operating income - as adjusted		179	approx	265	approx	950
% of net sales		*10.1%*	*approx*	*13.6%*	*approx*	*12.5%*
Net income attributable to Pentair Ltd. - as reported		52	approx	179	approx	581
Gain on sale of business, net of tax		(12)		—	approx	(12)
Adjustments, net of tax		80	approx	6	approx	86
Net income from attributable to Pentair Ltd. - as adjusted		120	approx	185	approx	655
Earnings per common share attributable to Pentair Ltd. - diluted						
Diluted earnings per common share - as reported	$	0.25		$0.85-$0.88		$2.74-$2.94
Adjustments		0.33		0.03		0.36
Diluted earnings per common share - as adjusted	$	0.58		$0.88-$0.91		$3.10-$3.30

REPORTED TO ADJUSTED 2013 RECONCILIATION

Pentair Ltd. and Subsidiaries

Reconciliation of the GAAP "As Reported" year ended December 31, 2013 to the "Adjusted" non-GAAP excluding the effect of 2013 adjustments (Unaudited)

In millions		**First Quarter 2013**		**Forecast Second Quarter 2013**		**Forecast Year 2013**
Water & Fluid Solutions						
Net sales	$	782	approx	$940	approx	$3,410
Operating income - as reported		75	approx	142-147	approx	437-442
% of net sales		*9.6%*	*approx*	*15.6%*	*approx*	*13.0%*
Adjustments:						
Restructuring		7		—	approx	7
Inventory step-up and customer backlog		1		—	approx	1
Operating income - as adjusted		83	approx	142-147	approx	445-450
% of net sales		*10.6%*	*approx*	*15.6%*	*approx*	*13.2%*
Valves & Controls						
Net sales	$	586	approx	$610	approx	$2,440
Operating income (loss) - as reported		(19)	approx	70-75	approx	201-206
% of net sales		*(3.2%)*	*approx*	*11.9%*	*approx*	*8.4%*
Adjustments:						
Restructuring		8		—	approx	8
Inventory step-up and customer backlog		70	approx	8	approx	78
Operating income - as adjusted		59	approx	78-83	approx	287-292
% of net sales		*10.1%*	*approx*	*12.8%*	*approx*	*12.0%*
Technical Solutions						
Net sales	$	410	approx	$410	approx	$1,710
Operating income - as reported		53	approx	66-71	approx	305-310
% of net sales		*13.0%*	*approx*	*17.4%*	*approx*	*18.1%*
Adjustments:						
Restructuring		11		—	approx	11
Inventory step-up and customer backlog		6		—	approx	6
Operating income - as adjusted		70	approx	66-71	approx	322-327
% of net sales		*17.0%*	*approx*	*17.4%*	*approx*	*19.1%*

REPORTED TO ADJUSTED 2012 RECONCILIATION

Pentair Ltd. and Subsidiaries
Reconciliation of the GAAP "As Reported" year ended December 31, 2012 to the "Adjusted" non-GAAP
excluding the effect of 2012 adjustments (Unaudited)

In millions, except per-share data	**First Quarter 2012**	**Second Quarter 2012**	**Third Quarter 2012**	**Fourth Quarter 2012**	**Year 2012**
Total Pentair					
Net sales	$ 858	$ 942	$ 865	$ 1,751	$ 4,416
Operating income (loss) - as reported	86	119	55	(304)	(44)
% of net sales	*10.1%*	*12.7%*	*6.4%*	*(17.4%)*	*(1.0%)*
Adjustments:					
Deal related costs and expenses	11	7	53	12	83
Inventory step-up and customer backlog	—	—	—	180	180
Restructuring	—	10	1	55	66
Trade name impairment	—	—	—	61	61
Change in accounting method - pension and post-retirement	(1)	(1)	(1)	145	142
Operating income - as adjusted	96	135	108	149	488
% of net sales	*11.2%*	*14.3%*	*12.4%*	*8.5%*	*11.1%*
Net income (loss) attributable to Pentair Ltd. - as reported	62	73	31	(273)	(107)
Bond redemption and interest expense	(1)	—	2	52	53
Adjustments, net of tax	3	11	32	321	367
Net income from attributable to Pentair Ltd. - as adjusted	64	84	65	100	313
Earnings per common share attributable to Pentair Ltd. - diluted					
Diluted earnings (loss) per common share - as reported	$ 0.62	$ 0.72	$ 0.31	$ (1.31)	$ (0.84)
Adjustments	0.02	0.11	0.33	1.78	3.23
Diluted earnings per common share - as adjusted	$ 0.64	$ 0.83	$ 0.64	$ 0.47	$ 2.39

REPORTED TO ADJUSTED 2012 RECONCILIATION

Pentair Ltd. and Subsidiaries
Reconciliation of the GAAP "As Reported" year ended December 31, 2012 to the "Adjusted" non-GAAP excluding the effect of 2012 adjustments (Unaudited)

In millions	First Quarter 2012	Second Quarter 2012	Third Quarter 2012	Fourth Quarter 2012	Year 2012
Water & Fluid Solutions					
Net sales	$ 587	$ 675	$ 605	$ 772	$ 2,639
Operating income (loss) - as reported	64	$ 92	$ 69	$ (57)	$ 168.0
% of net sales	*10.9%*	*13.6%*	*11.4%*	*(7.4%)*	*6.4%*
Adjustments:					
Restructuring	—	7	1	43	51
Inventory step-up and customer backlog	—	—	—	23	23
Trade name impairment	—	—	—	49	49
Operating income - as adjusted	64	99	70	58	291
% of net sales	*10.9%*	*14.8%*	*11.6%*	*7.5%*	*11.0%*
Valves & Controls					
Net sales	$ —	$ —	$ —	$ 549	$ 549
Operating income (loss) - as reported	—	—	—	(77)	(77)
% of net sales	*0.0%*	*0.0%*	*0.0%*	*(14.0%)*	*(14.0%)*
Adjustments:					
Restructuring	—	—	—	5	5
Inventory step-up and customer backlog	—	—	—	114	114
Operating income - as adjusted	—	—	—	42	42
% of net sales	*0.0%*	*0.0%*	*0.0%*	*7.6%*	*7.6%*
Technical Solutions					
Net sales	$ 273	$ 268	$ 261	$ 434	$ 1,236
Operating income - as reported	51	51	52	11	165
% of net sales	*18.5%*	*18.8%*	*20.0%*	*2.7%*	*13.3%*
Adjustments:					
Restructuring	—	3	—	10	13
Inventory step-up and customer backlog	—	—	—	43	43
Trade name impairment	—	—	—	11	11
Operating income - as adjusted	51	54	52	75	232
% of net sales	*18.5%*	*20.1%*	*20.0%*	*17.2%*	*18.9%*

Note: Inventory step-up and customer backlog reflect amortization of fair market value step-up associated with inventory and in process customer contracts.

2012 PRO FORMA ADJUSTMENTS – TOTAL PENTAIR

2012 Total Pentair *(in millions, except EPS)*	**Historical Adjusted Results**	**Pro Forma Adjustments: Historical Flow Control Acquisition**	**Pro Forma Adjustments: Depreciation & Amortization**	**Pro Forma Adjustments: Other Adjustments**	**Adjusted Pro Forma Results**
First Quarter					
Sales	$ 858	$ 996	$ —	$ (74)	$ 1,780
Operating Income	97	125	(17)	(32)	172
Net Income	64	94	(13)	(28)	117
Diluted EPS	0.64	0.44	(0.06)	(0.48)	0.54
Second Quarter					
Sales	942	981	—	(33)	1,889
Operating Income	135	144	(17)	(24)	237
Net Income	84	108	(13)	(14)	164
Diluted EPS	0.83	0.50	(0.06)	(0.50)	0.77
Third Quarter					
Sales	866	1,020	—	(16)	1,869
Operating Income	108	120	(17)	6	216
Net Income	66	90	(13)	6	149
Diluted EPS	0.64	0.42	(0.06)	(0.31)	0.69
Fourth Quarter					
Sales	1,751	—	—	(7)	1,744
Operating Income	150	—	—	17	166
Net Income	100	—	—	13	112
Diluted EPS	0.47	—	—	0.06	0.53
Full Year					
Sales	4,416	2,997	—	(130)	7,282
Operating Income	489	388	(52)	(34)	791
Net Income	313	291	(39)	(23)	542
Diluted EPS	2.39	1.36	(0.18)	(1.03)	2.54

Note: "Other" adjustments represent the elimination of certain large projects and sales to sanctioned countries (which were terminated prior to the completion of the Flow Control acquisition), changes in corporate allocation assumptions, income taxes and share count.

2012 PRO FORMA ADJUSTMENTS – WATER & FLUID SOLUTIONS

2012 Water & Fluid Solutions Segment *(in millions)*	**Historical Adjusted Results**	**Pro Forma Adjustments** Historical Flow Control Acquisition	Depreciation & Amortization	Other Adjustments	**Adjusted Pro Forma Results**
First Quarter					
Sales	$ 587	$ 163	$ —	$ —	$ 750
Operating Income	64	11	—	(2)	73
Second Quarter					
Sales	675	202	—	—	877
Operating Income	99	24	—	(2)	121
Third Quarter					
Sales	605	202	—	—	808
Operating Income	70	15	—	1	86
Fourth Quarter					
Sales	772	—	—	—	772
Operating Income	58	—	—	14	72
Full Year					
Sales	2,639	568	—	—	3,207
Operating Income	291	50	—	11	352

Note: "Other" adjustments represent changes in corporate allocation assumptions

2012 PRO FORMA ADJUSTMENTS – VALVES & CONTROLS

2012 Valves & Controls Segment *(in millions)*	**Historical Adjusted Results**	**Pro Forma Adjustments: Historical Flow Control Acquisition**	**Pro Forma Adjustments: Depreciation & Amortization**	**Pro Forma Adjustments: Other Adjustments**	**Adjusted Pro Forma Results**
First Quarter					
Sales	$ —	$ 621	$ —	$ (13)	$ 609
Operating Income	—	84	(12)	(11)	61
Second Quarter					
Sales	—	602	—	(5)	597
Operating Income	—	93	(12)	(10)	71
Third Quarter					
Sales	—	630	—	(10)	620
Operating Income	—	71	(13)	11	70
Fourth Quarter					
Sales	549	—	—	—	549
Operating Income	42	—	—	—	42
Full Year					
Sales	549	1,853	—	(27)	2,375
Operating Income	42	248	(37)	(9)	244

Note: "Other" adjustments represent the elimination of sales to sanctioned countries (which were terminated prior to the completion of the Flow Control acquisition), and changes in corporate allocation assumptions

2012 PRO FORMA ADJUSTMENTS – TECHNICAL SOLUTIONS

2012 Technical Solutions Segment *(in millions)*	Historical Adjusted Results	Pro Forma Adjustments: Historical Flow Control Acquisition	Pro Forma Adjustments: Depreciation & Amortization	Pro Forma Adjustments: Other Adjustments	Adjusted Pro Forma Results
First Quarter					
Sales	$ 273	$ 211	$ —	$ (61)	$ 423
Operating Income	51	36	(5)	(20)	62
Second Quarter					
Sales	268	176	—	(28)	416
Operating Income	54	28	(5)	(12)	65
Third Quarter					
Sales	261	188	—	(7)	443
Operating Income	52	39	(5)	(6)	80
Fourth Quarter					
Sales	434	—	—	(7)	427
Operating Income	75	—	—	2	77
Full Year					
Sales	1,236	575	—	(103)	1,708
Operating Income	232	103	(14)	(37)	284

Note: "Other" adjustments represent the elimination of certain large projects and changes in corporate allocation assumptions.