



5500 Wayzata Boulevard, Suite 800
Minneapolis, MN 55416-1261
763 545 1730 Tel

Letter to Our Shareholders:

While the economic situation resulted in certain financial challenges, I couldn't wait to tell you about the year's tremendous accomplishments in **Pentair's Annual Report for 2009**.

Thanks to the dedication and resolve of our 13,000-plus employees, Pentair emerged stronger from the global recession. As we glance over our shoulder at the recessionary road behind us, we reflect on a number of critical achievements. We executed well against our cost actions. These were tough decisions, but necessary in order to control our own destiny. We also rewarded our shareholders with a dividend increase at a time when many companies were retrenching. And, our focus on Pentair's Integrated Management System (PIMS) allowed us to drive operating excellence while maintaining investments in research, new product development, and key growth initiatives.

By embracing the spirit of "improving every day" and leveraging our commitment to "winning right," we are confident our accomplishments will endure. It is this character which has allowed us to face our challenges head-on and reinforces our confidence that the best for Pentair is yet to come.

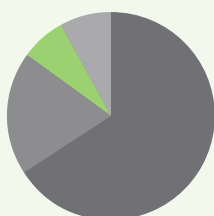
A year ago we were realistic about the economic situation and resolved to take actions that would be proactive and swift. We did that. We remain realistic and focused — and are optimistic about the growth opportunities opening up to us and confident in our ability to capture them. >>>

Pentair Company Profile

Pentair, Inc. employs approximately 13,000 people, with facilities in over 40 countries and is focused on two attractive segments: water and technical products.

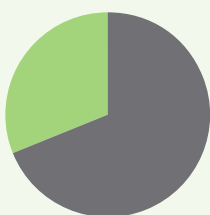
As a global, diversified manufacturing company, Pentair serves the commercial, industrial, agricultural, municipal and residential markets through innovative solutions under strong brand names.* Pentair's Water segment — which includes global Engineered Flow, Filtration Solutions, Pool Equipment, Residential Filtration, and Residential Flow businesses — helps deliver safe, clean water to industries, businesses and individuals. Pentair's Technical Products segment operates worldwide to help protect electronic equipment and the people who use it. In 2009, Pentair generated sales of \$2.69 billion on a continuing basis. Pentair's stock is listed on the New York Stock Exchange under the symbol "PNR."

2009 SALES BY GEOGRAPHY



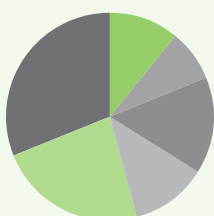
66% | US
19% | EMEA
7% | APAC
8% | ROW

2009 SALES BY SEGMENT

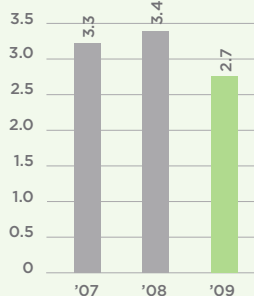


69% | water
31% | tech products

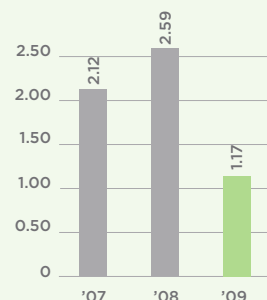
2009 SALES BY GBU



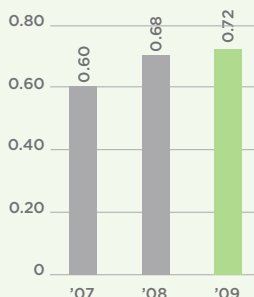
11% | engineered flow
8% | filtration solutions
15% | pool
12% | residential filtration
23% | residential flow
31% | tech products



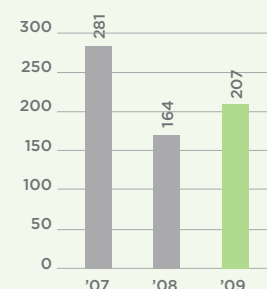
NET SALES
(\$ in billions)



DILUTED EPS FROM CONTINUING OPERATIONS (\$)



ANNUAL DIVIDEND
(\$ per share)



FREE CASH FLOW
(\$ in millions)

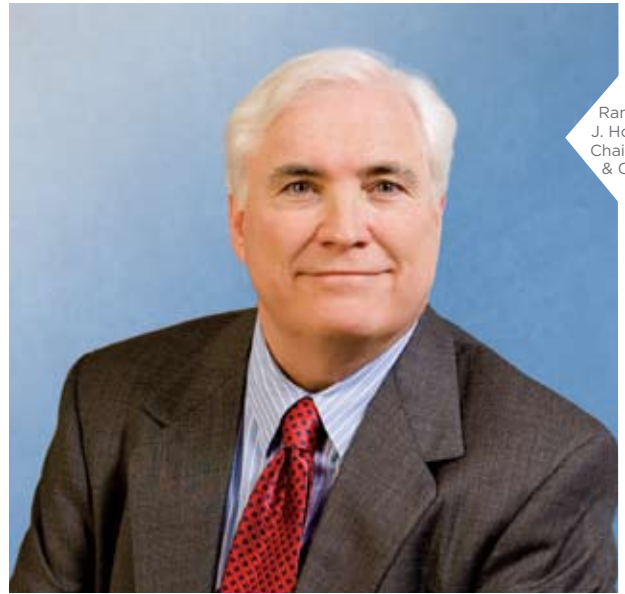
In January 2010, Pentair increased its annual dividend to **\$0.76**, marking the **34th** consecutive year of increased dividends.

*For a full list of Pentair's brands, please visit www.pentair.com/Our-Businesses.aspx

»» By any business measure, 2009 was a difficult year.

The recent global recession was broader and deeper than any in recent experience. Sales dropped to \$2.7 billion, a decrease of 20 percent compared to 2008, impacted heavily by the global recession. Earnings per share of \$1.17 (GAAP-basis) represented a significant reduction versus 2008. These reported earnings include restructuring charges associated with closing 18 facilities over the past two years. Adjusting for the non-recurring items, earnings per share of \$1.47 (adjusted) were down about 30 percent. Because of productivity savings of approximately \$250 million, we offset most of the impact of the tremendous decline in volumes to deliver solid profitability.

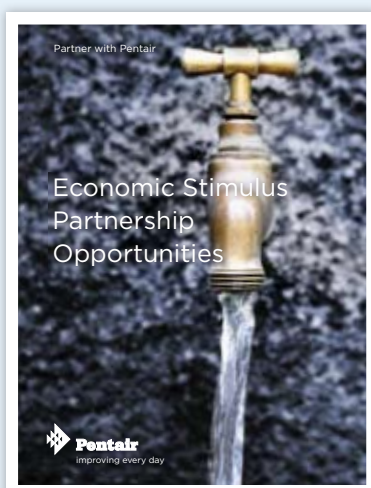
Despite lower earnings in 2009, we are encouraged by the results of our initiatives and we exited 2009 with momentum. Fourth quarter 2009 earnings per



Randall
J. Hogan,
Chairman
& CEO

share grew when compared to 2008. This trajectory demonstrates the powerful results from accelerating the consolidation of our global manufacturing and administrative footprint. And, while fourth quarter sales remained in decline year-over-year, the trends improved each quarter throughout 2009. »»

Partner with Pentair



The American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law in February 2009 and is designed to pour billions of dollars into the U.S. economy. Pentair acted swiftly to analyze the legislation and develop a white paper to share with key internal and external stakeholders. The company also developed a web site and sales initiative called “Partner With Pentair” which is designed to track ARRA project monies and promote sales channel development. Pentair is proud to provide these proactive tools to its customers, channel partners, and employees.

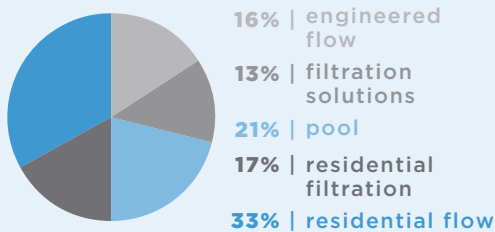
Visit www.partnerwithpentair.com for more information.

Pentair's Water Segment

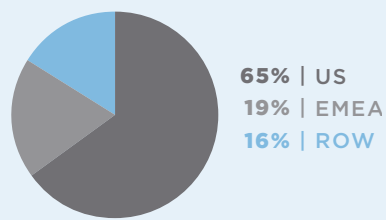
Pentair is a leading global provider of water technology and equipment for the commercial, industrial, agricultural, municipal and residential markets. The company makes filtration, purification, water treatment, pump and systems solutions and pool equipment and related technologies.

- ▶ Engineered Flow
- ▶ Filtration Solutions
- ▶ Pool Equipment
- ▶ Residential Filtration
- ▶ Residential Flow

2009 SALES BY BUSINESS WITHIN WATER



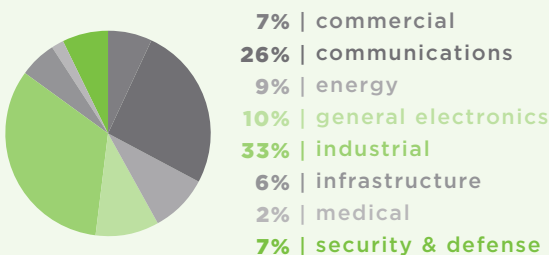
2009 SALES BY REGION WITHIN WATER



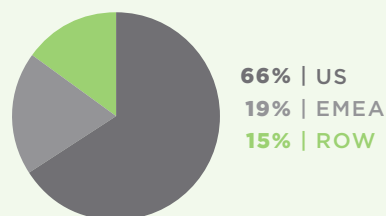
Pentair's Technical Products Segment

Pentair Technical Products is the leading provider of worldwide product and service solutions for enclosing, protecting and cooling electrical and electronic systems. Its industry-leading brands — Hoffman®, Schroff®, McLean® Cooling Technology, Calmark®, Birtcher®, Aspen Motion™ Technologies and Taunus™ — provide a broad variety of standard, modified and custom solutions to the commercial, communications, energy, general electronics, industrial, infrastructure, medical, and security and defense markets.

2009 SALES BY MARKET FOR TECH PRODUCTS



2009 SALES BY REGION WITHIN TECH PRODUCTS



» Pentair has a long history of generating outstanding free cash flow from operations. In 2009, our businesses generated over \$207 million in free cash flow — well in excess of 160 percent of net income. Included in this total was a \$25 million discretionary pension contribution pre-payment to satisfy our 2010 obligation. We reduced our debt levels by approximately \$150 million; strengthening an already healthy balance sheet. I am pleased to note that in early 2010 we increased our dividend six percent to \$0.76 per share for the year marking the 34th consecutive annual increase.

So, we delivered tremendous productivity savings and outstanding free cash flow results but our full year sales and earnings were certainly not what we wanted.

Through it all, we acted to ensure Pentair would be well-positioned when markets recover. By successfully executing against these actions, we shift our attention toward growth. And, as we shift our attention, we believe the company is in a better position to drive growth:

- ▶ *We maintained our growth investments in global sales, marketing and product development to ensure longer term success.*
- ▶ *We increased our capacity in Mexico, China, India and Poland — where we expect strong growth.*
- ▶ *We strengthened an already strong balance sheet and are ready for additional growth investments.*
- ▶ *Our Global Business Units are beginning to see recovery in many key markets. Each is poised for growth and productivity heading into 2010.*
- ▶ *Through our PIMS initiatives, we continued to improve product quality, on-time delivery and workplace safety.*

▶ *Finally, Pentair is more globally balanced as approximately 35 percent of our sales were outside the United States, compared to roughly 25 percent in 2005. We continue to flow resources to our most attractive markets.*

The past decade has been witness to remarkable change at Pentair.

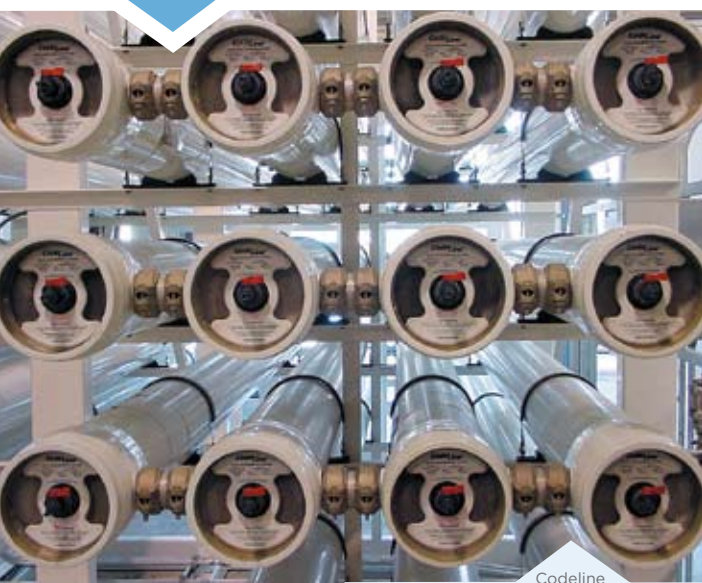
Over the past ten years, we transformed our portfolio and recently transformed our cost structure. We maintained and built upon a strong culture committed to “improve every day” and “win right” in everything we do. Today, our company is more diverse, more global, and stronger financially. As we enter the new decade we turn our attention to a new agenda — a growth agenda.

We have a terrific foundation for growth. As a leader in both Water and Technical Products, our businesses are well positioned to serve global customers and solve critical needs. Every day we deliver thousands of products to distributors, dealers, retailers and individual consumers the world over. I am proud to point out Pentair products at hotels and factories we visit, and restaurants we patron. I am especially proud of our products helping where the need is greatest — such as water-starved regions where access to clean, safe water is at a premium. Pentair does so many fantastic things.

Building upon this foundation is critical, and we can do it. We are building an even greater company — one which is delivering sustainable solutions to our customers and sustainable results to our shareholders, employees and communities.

We provide sustainable solutions to customers around the world that need our systems to ensure their water quality meets exact specifications. Our Technical Product’s business provides sustainable solutions to thousands of customers who »

Spotlight: Desalination



Codeline vessels

Pentair Provides Desalination Expertise in Sydney, Australia

Australia's severe drought issues have plagued the continent for more than a decade prompting the government to implement strict water saving measures and large-scale investments such as building desalination plants. When planning began for the city of Sydney's desalination plant, contractor Blue Water JV (Veolia Water and John Holland) chose Pentair for its expertise in desalination applications.

Pentair installed 4,600 of its Codeline™ vessels, a leader in membrane housings built to maximize the performance of water purification systems. For over three decades, Codeline has been the most trusted brand in critical and demanding applications for desalination, reverse osmosis, nanofiltration and ultrafiltration.

As the largest Codeline installation to date, the Sydney plant provides 15 percent of the city's water needs, pumping approximately 66 million gallons of water per day.

Pentair's Codeline facility, based in Goa, India, manufactures about 30,000–35,000 vessels per year.

»» demand high performance from their equipment and safety for their employees. Around the world, our employees are empowered to drive a sustainable culture by looking for ways to enhance the customer experience while always performing with integrity. This commitment delivers sustainable financial results and solid environmental and social records. We are proud to be a global leader in our diverse set of industries and this pride is what sustains us around the world.

At Pentair, one of our competitive advantages is the relentless pursuit of innovative solutions.

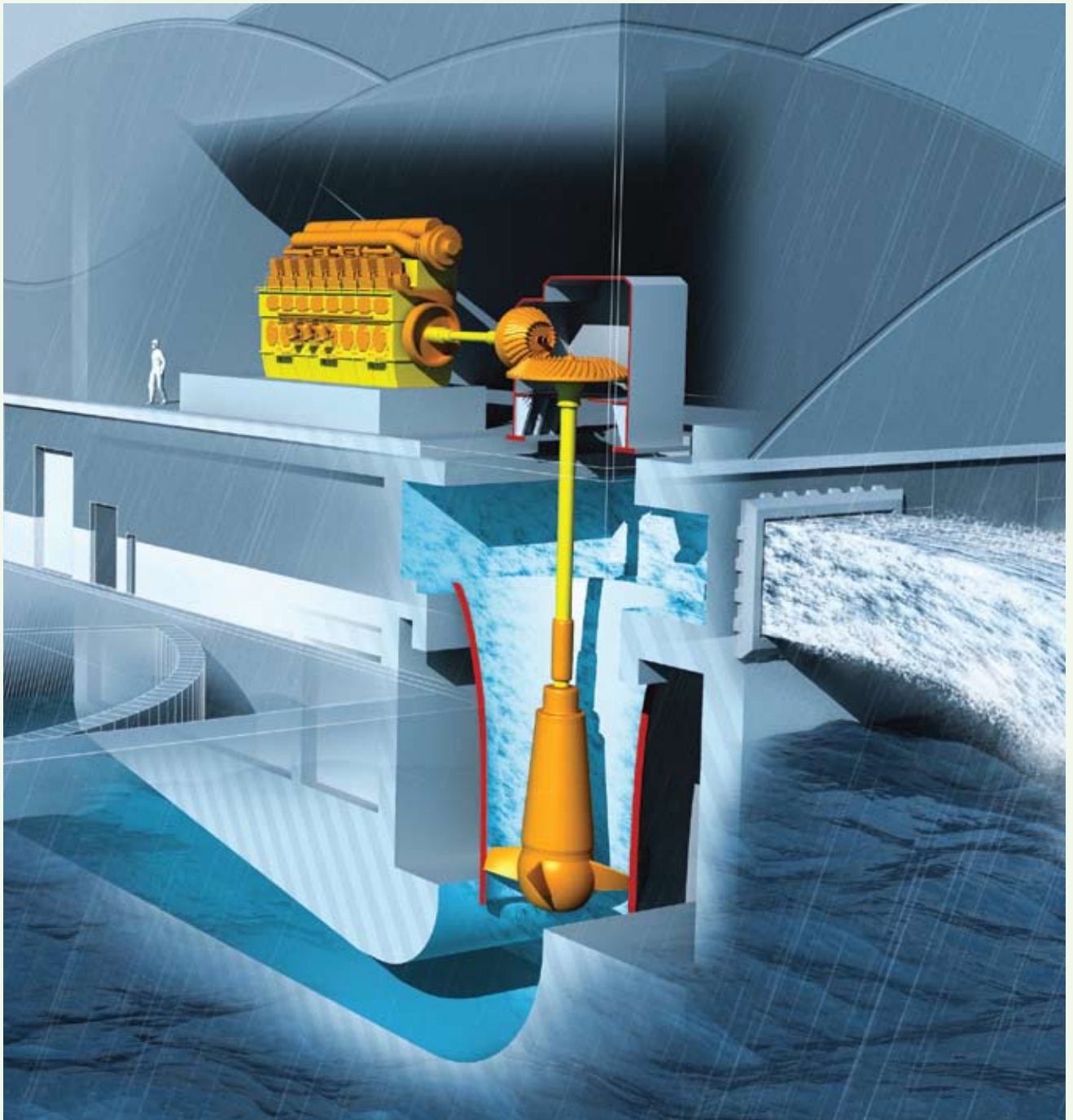
By our investment in research, development and commercial growth initiatives, we have exciting new products, new systems and a stronger leadership position in our key markets. A great example of our burgeoning systems capabilities is the new Dung Quat refinery in Vietnam. When excessive silica in the water threatened to disrupt start-up production, our Asia team leveraged Pentair's product breadth and systems capabilities to create an innovative solution. By integrating Pentair's pre-treatment tanks, valves and Aqualine pre-filtration along with Pentair reverse osmosis pumps, vessels and controls, we enabled rapid design and implementation.

We remain excited about infrastructure investment in developing nations and also in the United States. Pentair is well-positioned as a leader in water infrastructure — with over 100 years of experience in water and waste water solutions. One recent highlight was the record order we booked in 2009. As the Army Corps of Engineers strengthens the city of New Orleans' flood water protection system, Pentair's Engineered Flow business was selected to provide proven technology and services to the largest pump station in the world at the Harvey Street Canal. Representing the most significant contract in »»

Spotlight: New Orleans' Harvey Street Canal Pump Station

A Leader in Water Infrastructure

Starting in 2010, Pentair will deliver a dozen pumps to New Orleans' Harvey Street Canal Pump Station. Each pump will have a discharge diameter of approximately 15 feet and capable of pumping nearly 700,000 gallons of water per minute. During a hurricane, the Pentair pumps will handle all flows exiting from 22 miles of levees and floodwalls and ten pump stations into Harvey and Algiers Canals.



» Pentair's history, the \$60 million award demonstrates our importance as a leader in infrastructure and municipal water systems. Equipment deliveries are set to begin in 2010 and will continue through 2011.

While our technology helps protect New Orleans from too much water, Pentair solutions will help manage water in a very different way at Target Field, the new home of the Minnesota Twins

major league baseball team. Beginning in 2010, Pentair is partnering with the Minnesota Twins to spotlight the global issue of water by setting a new standard for water use in sports facilities. As the Twins' official Sustainable Water Provider, Pentair will install a custom-designed Rain Water Recycle System (RWRS) that will capture, conserve and reuse rain water at Target Field. Pentair's RWRS is estimated to reduce the need for municipal tap

Spotlight: Sustainable Solutions

Pentair and the Minnesota Twins have teamed up to hit a home run with water sustainability.

Visit www.pentair.com/twins for more information.



Twins' New Target Field

+



Pentair

=

Capture,
Conserve,
Reuse.

Custom Rainwater
Recycle System

water at the stadium by over 50 percent, helping the ballpark to qualify for LEED certification and saving more than two million gallons of water annually. Now that's a home run!

Pentair Technical Products continues to be a leader in partnering with customers.

By providing Pentair's high performance enclosures, we protect employees, equipment and sensitive data. For example, multinational retailer Best Buy turned to Pentair when they wanted to upgrade their U.S. data center. Working closely with the Best Buy IT leadership and data teams, we provided a customized solution with our Data Networking Cabinets, Racks, and Cable Tray products. The Pentair solution allowed Best Buy to exceed their objectives for both performance and protection, which led them to entrust us even further. Starting in 2010, Pentair will be protecting their electronics globally at Best Buy's data centers in the Middle East and Asia Pacific.

Throughout 2008 and 2009, we made tremendous progress aligning our businesses to improve efficiency, enhance customer service, and drive higher technology solutions — all to position our company to better satisfy our customers. By forming our global business units: Engineered Flow, Filtration Solutions, Pool Equipment, Residential Filtration, Residential Flow and Technical Products, we are organized to drive sustainable growth while adding breadth and scale to satisfy global customer demands. Our talented, global work force has leveraged this alignment to advance our recognition of opportunities around the world, ensuring we are leveraging best practices to reduce redundancy and improve the customer experience. »»



Over a year ago, Pentair announced its initiative to eliminate bottled water in all of its locations worldwide.

The company's commitment is to provide its employees with premium, filtered water, and at the same time significantly decrease the waste that bottled water creates.

In 2009, Pentair accomplished its goal. The company is generating significantly less waste and saving money along the way — because bottled water can cost up to 2,000 times the cost of filtered tap water.

Spotlight: Project Safewater



Colon,
Honduras

Last year, Pentair highlighted a major humanitarian effort — Pentair’s Project Safewater in Colon, Honduras. Its partnership with the non-profit Water Missions International reached significant milestones in 2009: Approximately 200,000 people now have access to clean drinking water and about 18,000 people have gained access to clean sanitation facilities. In addition, scientific data on the effectiveness of the program has begun to be gathered, in cooperation with the U.S. Centers for Disease Control and the Honduran Department of Health. The goal is to provide all 400,000 residents of the Colon region with clean water, and Pentair is well on its way to achieving that.

» Perhaps no issue is more critical to the world than the environment.

Whether it is energy or water, our future depends on the efficient and thoughtful use of natural resources. Pentair’s solutions address these challenges. Inside our company we monitor and improve our own environmental footprint it is part of how we “win right.” We are proud of our record as a global citizen and remain committed to being thoughtful of our impact on the earth. Being good stewards of the environment has been an element of Pentair’s Code of Conduct since the beginning. And, we constantly monitor our citizenship practices and policies around the world in environment, governance, health and safety and in employee and community relations.

Each year we inspire thousands of people around the world with our commitment to charitable efforts. These efforts are led by The Pentair Foundation. Established in 1998 to formalize the company’s tradition of community support, the Foundation is funded through our commitment to dedicate two percent of our annual pre-tax income to charitable efforts.

The Foundation also is a mechanism for Pentair to act quickly when tragedy strikes. In early 2010, when the country of Haiti was struck with a devastating earthquake, the need for clean, safe water was paramount. Within hours, Pentair was working with our charitable partner, Water Missions International (WMI) to provide 10 Living Water Treatment Systems (LWTS) and five chlorinators. And, along with General Electric, our Residential Filtration Joint Venture partner, we provided solar powered Home-spring units to areas with limited to no water supply. Combined, these systems provide potable drinking water to approximately 100,000 people daily.

At Pentair, and through the work of The Pentair Foundation, we are proud to provide assistance when and where it is needed most. Furthermore, the Foundation will continue to promote education, environmental conservation, vocational readiness, self-sufficiency and general well-being.

A few years ago we could not have imagined the economic decline that gripped our markets in 2009. At the same time, the challenge it presented brought forth a tremendous effort and commitment to become stronger as a company.

We executed against our commitments and, as a result, we are more energized and confident. Our people remain focused, realistic, and eager to tackle our most critical customer needs.

As we look ahead, the company accelerates toward sustainable growth. We are determined to win, and “win right.”

Thank you for your support. I look forward to reporting on our continued progress.



Randall J. Hogan
Chairman and Chief Executive Officer

Code of Business Conduct and Ethics

Pentair's founders created the Code of Business Conduct to guide the company's development and its actions. This Code is the foundation for specific practices, policies and guidelines that determine how the company conducts day-to-day business. It includes guidance for all employees regarding how they will:

- ▶ Manage Pentair according to the highest business, ethical, moral and civic standards as a public company.
- ▶ Operate in a manner that earns the respect of shareholders, employees, communities, customers, suppliers and all others with a stake in the company's success.
- ▶ Make Pentair a top-performing company, managed for the long-term benefit of all of its constituents.

Every employee worldwide receives a copy of the Code of Conduct when they join the company. The Code is available in every major language spoken by Pentair employees.

The full text of the Code of Business Conduct and Ethics is available at www.pentair.com/code.html



Global Citizenship Report

In early 2009, Pentair released its first Global Citizenship Report. Today, the Citizenship record and initiatives are updated online at www.pentair.com

Pentair Leadership Team

BOARD MEMBERS

Leslie Abi-Karam

Executive Vice President and President of Mailing Solutions Management of Pitney Bowes Inc.; Director since 2008

Glynis A. Bryan

Chair of the Governance Committee; Chief Financial Officer of Insight Enterprises, Inc.; Director since 2003

Jerry W. Burris

President of Barnes Industrial; Director since 2007

T. Michael Glenn

Executive Vice President of the Market Development and Corporate Communications of FedEx Corporation; Director since 2007

Charles A. Haggerty

Chief Executive Officer of LeConte Associates, LLC; Director since 1994

David H. Y. Ho

Chairman, Kiina Group; Director since 2007

Randall J. Hogan

Board Chairman and Chief Executive Officer; Director since 1999

David A. Jones

Chair of the International and Compensation Committees and Senior Advisor to Oak Hill Capital Partners; Director since 2003

Ronald L. Merriman

Chair of the Audit Committee and Managing Director of Merriman Partners; Director since 2004

William T. Monahan

Retired Chairman and CEO of Imation Corporation and Lead Director; Director since 2001

MANAGEMENT

Randall J. Hogan

Chairman and Chief Executive Officer

Michael V. Schrock

President and Chief Operating Officer

John L. Stauch

Executive Vice President and Chief Financial Officer

Frederick S. Koury

Senior Vice President, Human Resources

Angela D. Lageson

Senior Vice President, General Counsel and Secretary

Louis L. Ainsworth

Senior Vice President of Legal Affairs

Mark C. Borin

Corporate Controller and Chief Accounting Officer

Michael G. Meyer

Vice President, Treasury and Tax

Karl R. Frykman

President, Pool Equipment

Netha N. Johnson, Jr.

President, Filtration Solutions

Alok Maskara

President, Residential Filtration

Philip Pejovich

President, Technical Products

David B. Roland

President, Engineered Flow Technologies

Gary S. Witt

President, Residential Flow Technologies

Investor Information

Annual Meeting

The Annual Meeting of Pentair shareholders will take place on Thursday, April 29, 2010 at 10:00 a.m. Central in the auditorium of Thrivent Financial (625 Fourth Avenue South, Minneapolis, Minnesota). Pentair management and directors encourage all shareholders to attend the meeting.

Investor Information

Shareholders, securities analysts and investors seeking more information about the Company can access news releases describing significant Company events and earnings results for each quarter and the fiscal year as well as Form 10-K and other Securities and Exchange filings at www.pentair.com. Information may also be obtained by request from the Pentair Investor Relations Department, 5500 Wayzata Boulevard, Suite 800, Minneapolis, Minnesota 55416.

Stock Exchange Listing

New York Stock Exchange (symbol: PNR)

Dividends

Dividends are currently paid \$0.19 per share quarterly, in February, May, August and November. Pentair has paid 136 consecutive quarterly dividends.

Dividend Reinvestment

Pentair offers a Dividend Reinvestment Plan which enables shareholders of record the opportunity to automatically reinvest Pentair dividends and to invest up to an additional \$3,000 per calendar quarter in Pentair common stock, with any costs of purchasing the shares paid by the Company. Plan and enrollment information are available from the Company or Wells Fargo Bank, N.A.

Registrar, Stock Transfer and Paying Agent

Wells Fargo Bank, N.A.,
P.O. Box 64854,
St. Paul, Minnesota 55164-0854
Tel. 877-536-3554
Website: www.wellsfargo.com/com/shareowner_services

Independent Registered Public Accounting Firm

Deloitte & Touche LLP, Minneapolis, Minnesota

Caution concerning forward-looking statements

Any statements made about the company's anticipated financial results are forward-looking statements subject to risks and uncertainties such as the breadth and severity of the global economic downturn; the strength of housing and related markets; the ability to implement our restructuring and other cost reduction plans successfully and the risk that expected benefits may not be fully realized or may take longer to realize than expected; foreign currency effects; 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.

Certifications

The Company has filed as exhibits to its Annual Report on Form 10-K for the fiscal year ended December 31, 2009 the certifications of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act. The Company submitted to the New York Stock Exchange during 2009 the Annual CEO Certification required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.

Environmental Savings*

The front portion of this report was printed on paper made from 100% post-consumer recycled fiber. The 10K was printed on 10% post-consumer recycled paper. Because we believe in being part of the solution.

Using post-consumer recycled paper saved:



50,219 lbs of wood, or the total of **161 trees** that supplies enough oxygen for **81 people** annually



73,334 gallons of water, or enough water to take **4,264 eight-minute showers**



50 mln BTUs energy, or enough energy to power an average American household for **204 days**



15,227 lbs emissions, or carbon sequestered by **176 tree seedlings** grown over 10 years



4,452 lbs of solid waste, or trash thrown away by **968 people** in a single day

Producing the front portion with 100% renewable energy saved:



10,212 lbs CO₂, SO₂, and NO_x, or **666 hours of total continuous electricity** used by a single-family home



3,108 lbs of waste recycled instead of landfilled

*Sources: Environmental impact estimates for savings pertaining to the use of post consumer recycled fiber share the same common reference data as the Environmental Defense Fund paper calculator v2.0, which is based on research done by the Paper Task Force, a peer-reviewed study of the lifecycle environmental impacts of paper production and disposal. Environmental impact estimates for savings pertaining to the use of papers made with renewable energy are based on the U.S. EPA Power Profiler.



Recycled
Supporting responsible
use of forest resources
Cert no. SW-COC-002059
www.fsc.org
© 1996 Forest Stewardship Council



Pentair

5500 Wayzata Blvd, Suite 800
Minneapolis, MN 55416-1261
763.545.1730
www.pentair.com

10K 00069767