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PRESS RELEASE

Governor Announces \$58 Million Expansion of Pall Life Sciences in Fajardo Expected to Create 250 New Jobs

Fajardo, Puerto Rico – In line with Puerto Rico’s strategy of becoming a world class biotechnology center, Governor Aníbal Acevedo Vilá announced today the expansion of Pall Life Sciences Company in Fajardo, a municipality on the east coast of the Island, with a \$58 million investment that is expected to create 250 new jobs. The expansion will enable Pall to bring all of its medical filters, biopharmaceutical and biotechnological manufacturing operations to the Island, for product export to America and Asia.

“This makes Puerto Rico the center of all Pall Life Science global operations with the transfer of new technology and products that require highly specialized personnel, such as engineers and technicians in industrial, electrical and mechanical engineering,” the Governor said, while accompanied by the Mayor of Fajardo, Aníbal Meléndez; Secretary of Economic Development and Commerce Ricardo Rivera; and PRIDCO Executive Director Boris Jaskille; as well as by Pall Life Sciences officers.

“This expansion will create 250 new well-paid jobs that will include positions ranging from operators to technicians and engineers,” the Governor said, noting that with Pall’s 896 current employees on the Island, the expansion will bring the Company’s headcount in Puerto Rico to 1,100 in two years.

The expansion, which should be completed by July 2008, entails \$17.4 million for the construction of physical facilities and \$40.6 million for machinery and equipment. The expansion includes building a new warehouse for biomedical filters and biopharmaceutical products, expanding a clean room for manufacturing biomedical and biopharmaceutical filters, and creating space for the manufacturing and storage of industrial and office filters. Pall currently owns and occupies three buildings, totaling 230,000 square feet; the expansion will add 106,000 square feet.

Governor Acevedo-Vilá said Pall is a world leader in the market for filtration, separation and purification products, with more than 60 years of experience and expertise in this area. The Company manufactures filters for two principal markets: biosciences and industrial.

Pall's products are used by industries that are highly regulated and must comply with quality, purity, environmental preservation, health, and security requirements. Some of its principal clients are Baxter, Amgen, Merck, Genentech, Wyeth, and the America Red Cross. Pall exports most of its production to the Americas, Europe and Asia, with products manufactured in Puerto Rico.

The Governor explained that Pall Life Sciences has a multimillion dollar impact on the local economy. Its purchases of raw materials from local companies amount to \$10.2 million per year, and are soon projected to rise by \$4.7 million, for a total of \$15 million annually. "Local capital enterprises that sell their products to Pall include companies such as Nypro, Tech Group, Marcoop, Flexible Packaging, Caribbean Pallets, and Classic Holding," the Governor said, adding that Pall also contracts a variety of services, which contribute another \$4.2 million to the Island's economy.

Governor Acevedo-Vila commented that consistent with his "Work, Work, Work" national agenda, he has repeatedly stated that shifting Puerto Rico towards a knowledge economy is key to the Commonwealth's economic development. "This is why all the efforts of my Administration are targeted to transforming this native land, which is small in size, but big in talent and capability, into the 'Biotechnology Island'," the Governor said. "We are marketing our 'Bio-Island' concept in the United States to explain what is going on here and where we are heading."

Acevedo-Vilá said that the knowledge economy, which is rooted in the Island's intellectual capital, will guarantee Puerto Rico's competitiveness worldwide and insure more and better well-paid jobs. "We have more than four decades of experience, with a highly competent power force and first rate facilities," the Governor said. "There is no question about the key role of the Industrial Development Company, which has been critical in Puerto Rico expanding its horizons and seizing a position as a worldwide biotechnology center."

The Governor said that PRIDCO, with its new "Minds at Work" approach, has successfully attracted new biosciences and high-technology enterprises to Puerto Rico, fostering new expansions. "In the last two months, I have attended to the expansion announcements of Infotech in Isabela and Hamilton Sundstrand in Santa Isabel, which, combined, represent an investment of nearly \$47.3 million and the creation of 474 new jobs for engineers graduating from the principal universities on the Island," the Governor said.

"And today we are in Fajardo to share the success story of Pall Life Sciences Puerto Rico, which began operations on the Island in 1974 in La Plaza Ward, with only six employees, to manufacture paper filters for industrial purposes, and shortly will surpass the 1,000 employee count," Acevedo-Vilá stated.

The Governor thanked Pall Life Sciences's top management for putting their confidence in Puerto Rico, enhancing the Island's reputation as a world class biotechnology manufacturing center. "We will continue to push Puerto Rico forward," the Governor concluded. "We will continue to bring real progress to our people. And, together, we will continue to implement our 'Work, Work, Work' national agenda."

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