

PENTAIR INC  
Form DEFM14A  
August 03, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**  
**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

**Pentair, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
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5500 Wayzata Boulevard, Suite 800

Minneapolis, Minnesota 55416

Dear Fellow Shareholders:

As previously announced, Pentair, Inc., which we refer to as Pentair, and Tyco International Ltd., which we refer to as Tyco, have entered into a merger agreement under which Tyco's flow control business, which we refer to as the Tyco Flow Control Business, will combine with Pentair. Prior to the closing of the proposed merger, Tyco will cause specified assets and liabilities used in the Tyco Flow Control Business to be conveyed to its wholly owned subsidiary, Tyco Flow Control International Ltd., which we refer to as New Pentair, and will change such subsidiary's name to Pentair Ltd. Tyco will then spin off New Pentair to Tyco shareholders by distributing all the New Pentair common shares owned by Tyco to Tyco shareholders. Immediately after the spin-off, Panthro Merger Sub, Inc., a newly formed, indirect subsidiary of New Pentair, will merge with and into Pentair, with Pentair surviving the merger as a wholly owned, indirect subsidiary of New Pentair. We refer to such merger as the Merger. As a result of the Merger, Pentair shareholders will receive one newly issued common share of New Pentair for every Pentair common share they hold at the time of the Merger. At the close of the Merger, former Pentair shareholders will own approximately 47.5% of New Pentair common shares and Tyco shareholders will own approximately 52.5% of New Pentair common shares, each on a fully-diluted basis (excluding treasury shares). We anticipate that New Pentair common shares will be traded on the New York Stock Exchange under the ticker symbol **PNR**, Pentair's current ticker symbol. Pentair shareholders are not expected to recognize any gain or loss for U.S. federal income tax purposes as a result of the Merger.

After careful consideration, our board of directors has determined that the merger agreement and the Merger are in the best interests of Pentair and its shareholders and has unanimously approved and authorized the execution, delivery and performance of the merger agreement and the consummation of the transactions contemplated thereby. You will be asked to vote on a proposal to approve the merger agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the merger agreement and the transactions contemplated thereby, which we refer to as the Merger Agreement proposal, a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Pentair's named executive officers in connection with the Merger, which we refer to as the compensation proposal, and a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the Merger Agreement proposal, which we refer to as the meeting adjournment proposal, at a special meeting of Pentair shareholders to be held on September 14, 2012, at The Metropolitan Ballroom, 5418 Wayzata Blvd., Golden Valley, Minnesota at 9:00 a.m. local time. **Our board of directors unanimously recommends that you vote FOR the Merger Agreement proposal, FOR the compensation proposal and FOR the meeting adjournment proposal.**

**Your vote is very important, regardless of the number of shares you own.** We cannot complete the Merger unless the merger agreement is approved by our shareholders at the special meeting, which requires the affirmative vote of a majority of the Pentair common shares entitled to vote at the special meeting. Only shareholders who owned Pentair common shares at the close of business on July 27, 2012 will be entitled to vote at the special meeting. **Whether or not you plan to be present at the special meeting, please complete, sign, date and return your proxy card in the enclosed envelope, or authorize the individuals named on your proxy card to vote your shares by calling the toll-free telephone number or by using the internet as described in the instructions included with your proxy card.** If you hold your shares in street name, you should instruct your broker how to vote your shares in accordance with your voting instruction form.

This proxy statement/prospectus explains the Merger, the merger agreement and the transactions contemplated thereby and provides specific information concerning the special meeting. **Please review this document carefully. You should carefully consider, before voting, the matters discussed under the heading Risk Factors beginning on page 34 of this proxy statement/prospectus.**

On behalf of our board of directors, I thank you for your support and appreciate your consideration of this matter.

Cordially,

Randall J. Hogan

Chairman and Chief Executive Officer

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the transactions described in this proxy statement/prospectus, including the Merger, or the New Pentair common shares to be issued pursuant to the merger agreement, or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**The date of this proxy statement/prospectus is August 3, 2012 and it is being mailed to Pentair shareholders on or about August 6, 2012.**

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**PENTAIR, INC.**

**Notice of Pentair Special Meeting**

To the Shareholders of Pentair, Inc.:

NOTICE IS HEREBY GIVEN of a special meeting of shareholders of Pentair, Inc., a Minnesota corporation ( Pentair ), which will be held on September 14, 2012, at The Metropolitan Ballroom, 5418 Wayzata Blvd., Golden Valley, Minnesota at 9:00 a.m., local time, for the following purposes:

1. to vote on a proposal to approve the Merger Agreement, dated as of March 27, 2012, among Tyco International Ltd., Tyco Flow Control International Ltd., Panthro Acquisition Co., Panthro Merger Sub, Inc. and Pentair, as amended by Amendment No. 1, dated as of July 25, 2012 (the Merger Agreement ), copies of which are attached to this proxy statement/prospectus as Annex A, and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, which we refer to as the Merger Agreement proposal;
2. to vote on a non-binding, advisory proposal to approve the compensation that may be paid or become payable to Pentair s named executive officers in connection with the Merger, which we refer to as the compensation proposal; and
3. to vote on a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the Merger Agreement proposal, which we refer to as the meeting adjournment proposal.

The approval of the proposal set forth in item 1 above is required for completion of the Merger. Pentair will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof.

Pentair has fixed the close of business on July 27, 2012 as the record date for the special meeting. Only Pentair shareholders of record as of the record date are entitled to receive notice of, and to vote at, the special meeting or any adjournment or postponement thereof.

**THE PENTAIR BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED AND AUTHORIZED THE EXECUTION, DELIVERY AND PERFORMANCE OF THE MERGER AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED THEREBY AND UNANIMOUSLY RECOMMENDS THAT PENTAIR SHAREHOLDERS VOTE FOR THE MERGER AGREEMENT PROPOSAL, FOR THE COMPENSATION PROPOSAL AND FOR THE MEETING ADJOURNMENT PROPOSAL.**

Your vote is very important. Whether or not you expect to attend the special meeting in person, to ensure your representation at the special meeting, we urge you to authorize the individuals named on your proxy card to vote your shares as promptly as possible by (1) accessing the internet site listed on the proxy card, (2) calling the toll-free number listed on the proxy card or (3) submitting your proxy card by mail by using the provided self-addressed, stamped envelope. If you hold your shares in street name, you should instruct your broker how to vote your shares in accordance with your voting instruction form. Pentair shareholders may revoke their proxy in the manner described in the accompanying proxy statement/prospectus before it has been voted at the special meeting.

By Order of the Board of Directors,

Angela D. Lageson, Secretary

Minneapolis, Minnesota

August 3, 2012

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**WHERE YOU CAN FIND ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates by reference important business and financial information about Pentair from documents filed with the SEC that have not been included herein or delivered herewith. Pentair files reports (including annual, quarterly and current reports which contain audited financial statements), proxy statements and other information with the SEC. Copies of Pentair's filings with the SEC are available to investors without charge by request made to Pentair in writing or by telephone with the following contact information or through Pentair's website at [www.pentair.com](http://www.pentair.com):

Pentair, Inc.

5500 Wayzata Boulevard, Suite 800

Minneapolis, Minnesota 55416

Attention: Investor Relations Department

(763) 545-1730

IN ORDER TO RECEIVE TIMELY DELIVERY OF THESE MATERIALS, YOU MUST MAKE YOUR REQUESTS NO LATER THAN FIVE BUSINESS DAYS BEFORE THE DATE OF THE SPECIAL MEETING.

You may also obtain printer-friendly versions of Pentair's SEC reports at <http://pentair.com/investors.aspx>. However, Pentair is not incorporating the information on Pentair's website other than the filings listed below into this proxy statement/prospectus or the registration statement. Pentair's filings with the SEC are available to the public over the internet at the SEC's website at [www.sec.gov](http://www.sec.gov), or at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call 1-800-SEC-0330 for further information on the public reference facilities.

The SEC allows certain information to be incorporated by reference into this proxy statement/prospectus. This means that Pentair can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this proxy statement/prospectus, except for any information superseded by information contained directly in this proxy statement/prospectus or in any document subsequently filed by Pentair that is also incorporated or deemed to be incorporated by reference. This proxy statement/prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC and any future filings by Pentair under section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, from the date of this proxy statement/prospectus to the date the Pentair special meeting is held, except, in any such case, for any information therein which has been furnished rather than filed, which shall not be incorporated herein. Subsequent filings with the SEC will automatically modify and supersede information in this proxy statement/prospectus. These documents contain important information about Pentair and its financial condition.

This proxy statement/prospectus, and the registration statement of which this proxy statement/prospectus forms a part, hereby incorporate by reference the following documents which Pentair has filed with the SEC:

Pentair's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on February 21, 2012, as amended by Amendment No. 1 to Pentair's Annual Report on Form 10-K/A, filed with the SEC on April 13, 2012;

Pentair's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, filed with the SEC on April 24, 2012 and July 24, 2012, respectively;

Pentair's Current Reports on Form 8-K, filed with the SEC on March 28, 2012, March 30, 2012, April 24, 2012, April 27, 2012, June 4, 2012 and July 24, 2012; and

Pentair's Proxy Statement on Schedule 14A, filed on March 9, 2012.

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Notwithstanding the foregoing, information furnished under Items 2.02 and 7.01 of any Current Report on Form 8-K, including the related exhibits under Item 9.01, is not incorporated by reference in this proxy statement/prospectus or the registration statement.



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If you are a Pentair shareholder and you have any questions about the proposed transactions, please contact Pentair's Investor Relations Department at (763) 545-1730.

NONE OF PENTAIR, PANTHRO MERGER SUB, PANTHRO ACQUISITION, TYCO OR NEW PENTAIR HAS AUTHORIZED ANYONE TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ABOUT THE PROPOSED TRANSACTIONS OR ABOUT PENTAIR, PANTHRO MERGER SUB, PANTHRO ACQUISITION, TYCO OR NEW PENTAIR THAT DIFFERS FROM OR ADDS TO THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS OR THE DOCUMENTS THAT PENTAIR PUBLICLY FILES WITH THE SECURITIES AND EXCHANGE COMMISSION. THEREFORE, IF ANYONE GIVES YOU DIFFERENT OR ADDITIONAL INFORMATION, YOU SHOULD NOT RELY ON IT.

IF YOU ARE IN A JURISDICTION WHERE SOLICITATIONS OF A PROXY ARE UNLAWFUL, OR IF YOU ARE A PERSON TO WHOM IT IS UNLAWFUL TO DIRECT THESE TYPES OF ACTIVITIES, THEN THE SOLICITATION PRESENTED IN THIS PROXY STATEMENT/PROSPECTUS DOES NOT EXTEND TO YOU.

THE INFORMATION CONTAINED IN THIS PROXY STATEMENT/PROSPECTUS SPEAKS ONLY AS OF ITS DATE UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS DOCUMENT IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE HEREOF. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN ANY DOCUMENT INCORPORATED BY REFERENCE HEREIN IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE OF SUCH DOCUMENT. ANY STATEMENT CONTAINED IN A DOCUMENT INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE INTO THIS DOCUMENT WILL BE DEEMED TO BE MODIFIED OR SUPERSEDED TO THE EXTENT THAT A STATEMENT CONTAINED HEREIN OR IN ANY OTHER SUBSEQUENTLY FILED DOCUMENT WHICH ALSO IS OR IS DEEMED TO BE INCORPORATED BY REFERENCE INTO THIS DOCUMENT MODIFIES OR SUPERSEDES THAT STATEMENT. ANY STATEMENT SO MODIFIED OR SUPERSEDED WILL NOT BE DEEMED, EXCEPT AS SO MODIFIED OR SUPERSEDED, TO CONSTITUTE A PART OF THIS DOCUMENT. NEITHER THE MAILING OF THIS DOCUMENT TO THE SHAREHOLDERS OF PENTAIR, NOR THE TAKING OF ANY ACTIONS CONTEMPLATED HEREBY BY PENTAIR OR TYCO AT ANY TIME WILL CREATE ANY IMPLICATION TO THE CONTRARY.

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**ABOUT THIS DOCUMENT**

Tyco has supplied all information contained in this proxy statement/prospectus relating to Tyco, New Pentair and the Tyco Flow Control Business. Pentair has supplied all information contained in or incorporated by reference into this proxy statement/prospectus relating to Pentair. Tyco and Pentair have both contributed information relating to the Transactions.

This proxy statement/prospectus forms part of a registration statement on Form S-4 (Registration No. 333-181250) filed by New Pentair with the SEC to register with the SEC New Pentair common shares to be issued pursuant to the Merger. It constitutes a prospectus of New Pentair under Section 5 of the Securities Act of 1933, as amended, and the rules thereunder (the Securities Act ), with respect to the New Pentair common shares to be issued to Pentair shareholders entitled to New Pentair common shares in the Merger. It also constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, and the rules thereunder (the Exchange Act ), and a notice of meeting and action to be taken with respect to the Pentair special meeting of shareholders at which Pentair shareholders will consider and vote on the proposal to approve the Merger Agreement and the transactions contemplated thereby and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby.

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**HELPFUL INFORMATION**

In this document:

**2012 Tax Sharing Agreement** refers to the tax sharing agreement to be entered into by and among Tyco, New Pentair and ADT, the form of which is attached to this proxy statement/prospectus as Annex C;

**ADT** refers to The ADT Corporation, a wholly-owned, indirect subsidiary of Tyco formed to hold its residential and small business security business in the United States and Canada, and, unless otherwise indicated or the context otherwise requires, its combined subsidiaries;

**ADT Distribution** refers to the pro-rata distribution of 100% of the outstanding common stock of ADT to Tyco's shareholders in the form of a special dividend out of Tyco's qualifying contributed surplus;

**Ancillary Agreements** refers to the 2012 Tax Sharing Agreement, the Transition Services Agreement, the Licensing Agreements and certain other conveyancing and assumption instruments that are contemplated by the Separation and Distribution Agreement;

**Code** refers to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder;

**Distribution** refers to the pro-rata distribution of 100% of the outstanding common shares of New Pentair to Tyco's shareholders in the form of a special dividend out of Tyco's qualifying contributed surplus;

**the Distributions** refers to both the Distribution and the ADT Distribution;

**Effective Time** refers to the date and time when the Articles of Merger are duly filed with the Secretary of State of the State of Minnesota or such later date or time as is agreed among the parties in writing and specified in the Articles of Merger in accordance with the relevant provisions of the Minnesota Business Corporation Act (the **Minnesota Business Corporation Act**);

**emerging markets** refers to markets consisting of countries characterized by one or more of the following factors: low but growing per-capita income, a move toward a market-based economy, liberalized or liberalizing financial systems, strong natural resource assets and developing infrastructure; the Tyco Flow Control Business believes that this definition of **emerging markets** is generally consistent with definitions used by international banks, financial funds and economic publications;

**fiscal year 2011**, **fiscal year 2010**, **fiscal year 2009**, **fiscal year 2008** and **fiscal year 2007** refer to the Tyco Flow Control Business' fiscal year ended September 30, 2011, September 24, 2010, September 25, 2009, September 26, 2008 and September 28, 2007 respectively, and **fiscal year 2012** refers to the Tyco Flow Control Business' fiscal year ending September 28, 2012;

**the general process industries** refers to the chemical and petrochemical processing, food and beverage, marine, pulp and paper, building service, defense, water (with respect to the Tyco Flow Control Business' Valves & Controls segment only) and other smaller industries;

**HSR Act** refers to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended;

**IRS** refers to the U.S. Internal Revenue Service;

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Licensing Agreements refers to the transitional trademark license agreement to be entered into by and between Tyco International Services Holding GmbH and New Pentair and the transitional trademark license agreement to be entered into by and between Grinnell, LLC and New Pentair;

major capital projects with respect to the Tyco Flow Control Business Thermal Controls and Water & Environmental Systems segment refers to projects that exceed \$20 million in potential revenue to the Tyco Flow Control Business;

major manufacturing facilities refers to manufacturing facilities greater than 50,000 square feet in size;

the Merger refers to the merger of Panthro Merger Sub with and into Pentair with Pentair surviving such merger and all transactions contemplated by the Merger Agreement, except the Distribution, and all other actions or matters necessary or appropriate to give effect to the Merger Agreement and the transactions contemplated thereby, except the Distribution;

the Merger Agreement refers to the Merger Agreement, dated as of March 27, 2012, among Tyco, New Pentair, Panthro Acquisition, Panthro Merger Sub and Pentair, as amended by Amendment No. 1, dated as of July 25, 2012, copies of which are attached to this proxy statement/prospectus as Annex A;

MRO refers to maintenance, repair and overhaul services;

New Pentair refers to Tyco Flow Control International, Ltd., a corporation limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland and a wholly owned subsidiary of Tyco to which the Tyco Flow Control Business will be transferred, which prior to the Distribution will be re-named Pentair Ltd., and, unless otherwise indicated or the context otherwise requires, its combined subsidiaries;

New Pentair common shares, and New Pentair shares refer to New Pentair registered shares, nominal value CHF 0.50 per share;

NYSE refers to the New York Stock Exchange;

Organic Growth/(Decline) refers to the change in the Tyco Flow Control Business net revenue, expressed as a percentage, adjusted to exclude currency effects, acquisitions, divestitures and other items such as effects of the 53-week year in fiscal year 2011;

Panthro Acquisition refers to Panthro Acquisition Co., a Delaware corporation and a wholly owned subsidiary of New Pentair;

Panthro Merger Sub refers to Panthro Merger Sub, Inc., a Minnesota corporation and a wholly owned subsidiary of Panthro Acquisition;

Pentair refers to Pentair, Inc., a Minnesota corporation, and, unless otherwise indicated or the context otherwise requires, its consolidated subsidiaries;

Pentair common shares and Pentair shares refer to Pentair common shares, par value \$0.16 share;

SEC refers to the U.S. Securities and Exchange Commission;

Separation and Distribution Agreement refers to the Separation and Distribution Agreement, dated as of March 27, 2012, among Tyco International Ltd., Tyco Flow Control International Ltd. and The ADT Corporation, as amended, a copy of which is attached to this proxy statement/prospectus as Annex B;

the Spin-off refers to the Distribution, the transfer to New Pentair of the Tyco Flow Control Business and all other transactions required under the Separation and Distribution Agreement for the consummation of the separation of New Pentair from Tyco;

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Transactions refers to the Spin-off and the Merger;

Transition Services Agreement refers to the transition services agreement to be entered into by Tyco and New Pentair;

turnkey refers to a project wherein the final result is provided to the customer ready for immediate use;

Tyco refers to Tyco International Ltd., a corporation limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland, and, unless otherwise indicated or the context otherwise requires, its combined subsidiaries;

Tyco common shares or Tyco shares refers to Tyco's registered shares, nominal value CHF 6.70 per share;

Tyco Flow Control Business refers to the flow control business of Tyco;

Tyco Merger Parties refers to Tyco, New Pentair, Panthro Acquisition and Panthro Merger Sub;

the Tyco Proxy Statement refers to Tyco's proxy statement related to the Distributions and certain related matters on file with the SEC as it may be amended from time to time;

United States or U.S. with regards to the business of ADT refers to the 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands;

U.S. GAAP refers to generally accepted accounting principles in the U.S.; and

references to revenue from particular industries include sales to distributors or other channel participants whose end customers typically operate in those industries.



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**QUESTIONS AND ANSWERS ABOUT THE TRANSACTIONS**

*The following are some of the questions that Pentair shareholders may have regarding the Transactions, and brief answers to those questions. For more detailed information about the matters discussed in these questions and answers, see *The Transactions* beginning on page 72. These questions and answers, as well as the summary beginning on page 15, are not meant to be a substitute for the information contained in the remainder of this proxy statement/prospectus, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this proxy statement/prospectus. You are urged to read this proxy statement/prospectus in its entirety prior to making any decision. You should pay special attention to *Risk Factors* beginning on page 34 and *Cautionary Statement Concerning Forward-Looking Statements* beginning on page 66.*

**Q: What is Pentair?**

A: Pentair refers to Pentair, Inc., a Minnesota corporation.

**Q: What is New Pentair?**

A: New Pentair refers to Tyco Flow Control International Ltd., a wholly owned subsidiary of Tyco, organized under the laws of Switzerland. Prior to the Distribution, New Pentair will be renamed Pentair Ltd. and after the Merger, New Pentair will operate Pentair and the Tyco Flow Control Business. New Pentair will be an independent, publicly-traded company.

**Q: What are the Transactions described in this proxy statement/prospectus?**

A: References to the *Transactions* mean the transactions contemplated by the Merger Agreement and the Separation and Distribution Agreement, which provide for, among other things, the separation of the Tyco Flow Control Business from the other businesses of Tyco and transfer to New Pentair, the distribution of New Pentair common shares to Tyco shareholders, the merger of a wholly owned, indirect subsidiary of New Pentair with and into Pentair and the issuance of New Pentair common shares to Pentair shareholders, as described under *The Transactions* and elsewhere in this proxy statement/prospectus.

**Q: What will happen in the Distribution?**

A: The Distribution is the final step in the separation of the Tyco Flow Control Business from Tyco, which will be accomplished through a series of transactions that will result in New Pentair owning the Tyco Flow Control Business and Tyco shareholders owning New Pentair. The Distribution will be a pro rata distribution of New Pentair common shares by Tyco to holders of Tyco shares.

**Q: What will happen in the Merger?**

A: Immediately following the Distribution, a wholly owned, indirect subsidiary of New Pentair will merge with and into Pentair, with Pentair surviving the Merger as a wholly owned, indirect subsidiary of New Pentair. Upon consummation of the Merger, Pentair will cease to be a publicly-traded company. Upon effectiveness of the Merger, each outstanding Pentair common share will be converted into the right to receive one newly issued share of New Pentair and all converted Pentair common shares will be canceled. When the Merger is complete, approximately 47.5% of the New Pentair common shares will be held by former Pentair shareholders and approximately 52.5% of New Pentair common shares will be held by Tyco shareholders, each on a fully-diluted basis (excluding treasury shares).

**Q: What will Pentair shareholders receive in the Merger?**

A: Holders of Pentair common shares will receive one newly issued common share of New Pentair for each Pentair common share they hold at the time of the Merger. Immediately following the Merger, approximately 47.5% of the New Pentair common shares will be held by former Pentair shareholders on a fully-diluted basis (excluding treasury shares).

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**Q: What will Tyco shareholders receive in the Transactions?**

A: In the Distribution, Tyco will distribute all of the outstanding New Pentair common shares on a pro rata basis to holders of Tyco common shares. Holders of Tyco common shares will receive a number of New Pentair common shares determined by a formula based on the number of Pentair and Tyco shares outstanding on a fully-diluted basis (calcul