

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q
QUARTERLY REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1998

Commission File No. 001-11625

PENTAIR, INC.
(Exact name of Registrant as specified in its charter)

Minnesota 41-907434
(State of incorporation) (IRS Employer Identification No.)

1500 County B2 West, Suite 400
St. Paul, Minnesota 55113-3105
(Address of principal executive offices) (Zip Code)

(612) 636-7920
(Registrant's telephone number,
including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

The number of shares outstanding of Registrant's only class of common stock on March 31, 1998 was 38,370,265.

PENTAIR, INC. AND SUBSIDIARIES
FORM 10-Q
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PART I - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

PENTAIR, INC.
CONSOLIDATED STATEMENT OF INCOME

(Unaudited)
(\$ expressed in thousands except per share amounts)

	Quarter Ended March 31	
	1998	1997
Net sales	\$ 464,965	\$ 411,139
Operating costs:		
Cost of goods sold	320,155	285,188
Selling, general and administrative	100,921	88,472
Total operating costs	421,076	373,660
Operating Income	43,889	37,479
Interest expense - net	5,353	5,118
Income before income taxes	38,536	32,361
Provision for income taxes	14,827	12,944
Net income	23,709	19,417
Preferred dividend requirements	1,184	1,218
Income available to common shareholders	\$ 22,525	\$ 18,199
Basic Earnings per Common Share	\$0.59	\$0.48
Diluted Earnings per Common Share	\$0.54	\$0.45
Weighted Average Common Shares		
Outstanding	38,291	37,843
Outstanding Assuming Dilution	43,291	42,940

PENTAIR, INC.
CONSOLIDATED BALANCE SHEET
(Unaudited) (in thousands)

	March 31, 1998	December 31, 1997
ASSETS		
Current assets		
Cash and cash equivalents	\$ 25,554	\$ 34,340
Accounts and notes receivable	395,305	369,220
Inventories	271,750	266,409
Other current assets	36,316	35,401
Total current assets	728,925	705,370
Property, Plant & Equipment - net	283,332	293,554
Goodwill	423,248	429,279
Other assets	48,837	44,659
TOTAL ASSETS	\$1,484,342	\$1,472,862
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts and notes payable	\$ 119,905	\$ 152,592
Compensation and other benefits accruals	60,945	70,758
Income taxes	10,326	15,158
Accrued product claims and warranties	34,455	35,114
Accrued rebates	10,704	21,658
Accrued expenses and other liabilities	66,950	62,194
Current maturities of long-term debt	29,108	34,703
Total current liabilities	332,393	392,177
Long-term debt	348,320	294,549
Pensions and other retirement compensation	53,316	52,470
Postretirement medical and other benefits	44,600	45,135
Reserves - insurance subsidiary	30,478	32,313
Other liabilities	25,826	25,656
Commitments and contingencies		
Preferred stock - at liquidation value	58,765	59,696
Unearned compensation relating to ESOP	(5,340)	(6,315)
Common stock - par value, \$.16 2/3	6,396	6,365
Additional paid-in capital	188,456	186,486
Accumulated other comprehensive income	(5,177)	(5,085)
Retained earnings	406,309	389,415
Total shareholders' equity	649,409	630,562
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,484,342	\$1,472,862

See Notes to Consolidated Financial Statements.

PENTAIR, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (in thousands)

	1998	March 31 1997	Three Months Ended
Cash provided by (used for)			
Operating activities			
Net income	\$ 23,709		\$ 19,417
Adjustments to reconcile to cash flow:			
Depreciation	13,922		14,194
Amortization	4,620		3,141
Deferred income taxes	187	680	
Changes in assets and liabilities, net of effects of acquisitions/dispositions			
Accounts receivable	(26,660)	(25,869)	
Inventories	(6,034)	(14,090)	
Accounts payable	(33,158)		3,102
Compensation and benefits	(9,765)	(3,674)	
Income taxes	(4,967)	(2,088)	
Pensions and other retirement compensation	1,449		1,884
Reserves - insurance subsidiary	(1,835)		1,167
Other assets/liabilities - net	(10,876)		(2,538)
Cash used for operating activities	(49,408)		(4,674)
Investing activities			
Capital expenditures	(4,570)		(21,540)
Payments for acquisition of businesses	(12)	(16,391)	
Other	0	(1,434)	
Cash used for investing activities	(4,582)		(39,365)
Financing activities			
Borrowings	69,058		42,252
Debt payments	(21,438)		(3,959)
Unearned ESOP compensation decrease	975		990
Employee stock plans and other	1,175	2,825	
Dividends paid	(6,920)	(6,325)	
Cash provided by financing activities	42,850		35,783
Effects of currency exchange rate changes	2,354		2,553
(Decrease) in cash and cash equivalents	(8,786)		(5,703)
Cash and cash equivalents			
- beginning of period	34,340	22,973	
- end of period	\$25,554		\$17,270

See Notes to Consolidated Financial Statements.

PART II - OTHER INFORMATION

ITEM 4 -Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders of Pentair, Inc. was held on April 22, 1998, for the purpose of electing certain members to the board of directors, approving the appointment of auditors, and voting on the proposals described below. Proxies for the meeting were solicited pursuant to Section 14(a) of the Securities Exchange Act of 1934.

PROPOSAL 1

All of management's nominees for directors as listed in the proxy statement were elected with the following vote:

	Shares Voted For	Shares Withheld	Broker Non-Votes
Quentin J. Hietpas	33,860,588	360,377	0
Richard M. Schulze	33,882,848	338,117	0
Karen E. Welke	33,095,374	1,125,592	0

PROPOSAL 2

The appointment of Deloitte & Touche LLP as independent auditors of the Company for 1998 was ratified by the following vote:

Shares Voted For	Shares Voted Against	Shares Abstaining	Broker	Non-Votes
34,074,007	44,064	102,895		0

ITEM 5 - Other Information

On April 30, 1998, Century Manufacturing acquired the assets of T-Tech Industries, which designs, manufactures, and markets automatic transmission fluid exchanger systems and accessories. The company is profitable and results will be accretive to Pentair's 1998 earnings.

On May 5, 1998, the board of directors of Pentair announced its intention to make a cash offer for the entire issued and to-be-issued share capital of VERO Group plc, of Southampton, England, a supplier of racks, subracks, and enclosures to the general electronics, networking and telecommunications industries. Following a subsequent increased offer by a competing bidder, Pentair declined to increase its offer, which it considered to have been fully-priced.

ITEM 6 - Exhibits and Reports on Form 8-K

(a) Exhibits. The following exhibits are included with this Form 10-Q Report as required by Item 601 of Regulation S-K.

Exhibit Number	Description
27	Financial Data Schedule

(b) Reports on Form 8-K.

A report on Form 8-K was filed on January 13, 1998 regarding the Company's announced stock repurchase plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

/s/ Richard W. Ingman
Executive Vice President and
Chief Financial Officer

May 15, 1998

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