

ANNUAL REPORT 2011



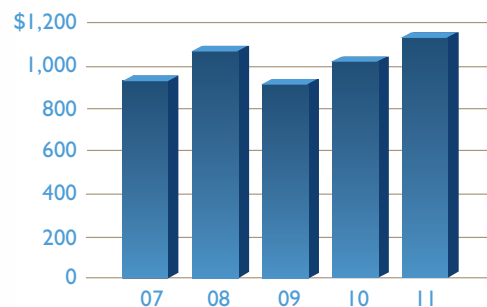
CLARCOR

Filtration Solutions for a Global Marketplace

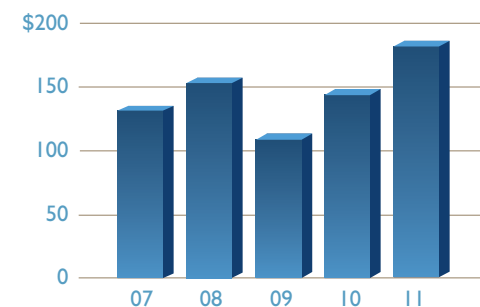
FINANCIAL HIGHLIGHTS (DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)

YEARS ENDED NOVEMBER 30	2011	2010	% CHANGE
Net Sales	\$ 1,126,601	\$ 1,011,429	11.4%
Operating Profit	181,267	144,649	25.3%
Net Earnings	124,361	96,351	29.1%
Percent of Net Sales	11.0%	9.5%	
Percent of Beginning Shareholders' Equity	16.4%	14.0%	
Basic Earnings per Share	2.46	1.90	29.5%
Diluted Earnings per Share	2.42	1.88	28.7%
Cash Dividends Paid per Share	0.4350	0.3975	9.4%
Working Capital	440,849	362,816	21.5%
Total Debt (Current and Long-Term)	17,270	17,477	-1.2%
Debt as Percent of Total Capital	2.0%	2.3%	
Shareholders' Equity	835,558	757,527	10.3%
Per Share Attributable to CLARCOR	16.65	15.03	10.8%
Shares Outstanding at Year-End	50,144,928	50,334,776	-0.3%
Employees at Year-End	5,447	5,165	5.5%

NET SALES IN MILLIONS



OPERATING PROFIT IN MILLIONS



STOCK PRICE & DIVIDEND INFORMATION

CLARCOR common stock is traded on the New York Stock Exchange under the symbol CLC. The tables set forth the high and low market prices as quoted on the New York Stock Exchange and dividends paid for each quarter of the last two fiscal years.

Quarter Ended	Market Price		Dividend
	High	Low	
February 26, 2011	\$ 45.05	\$ 40.00	\$ 0.1050
May 28, 2011	45.74	40.24	0.1050
August 27, 2011	48.77	39.13	0.1050
December 3, 2011	49.60	39.50	<u>0.1200</u>
Total Dividends			\$ 0.4350

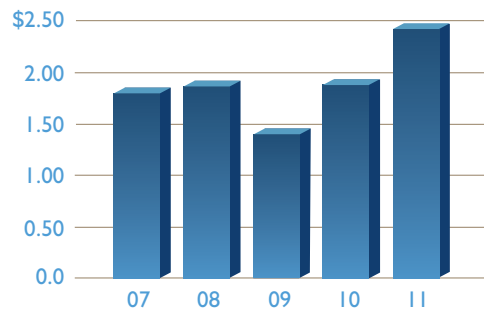
Quarter Ended	Market Price		Dividend
	High	Low	
February 27, 2010	\$ 35.25	\$ 30.72	\$ 0.0975
May 29, 2010	38.73	33.50	0.0975
August 28, 2010	38.59	33.58	0.0975
November 27, 2010	42.01	33.64	<u>0.1050</u>
Total Dividends			\$ 0.3975

SAFE HARBOR STATEMENT

The Company desires to take advantage of the “Safe Harbor” provision of the Private Securities Litigation Reform Act of 1995 and is making this cautionary statement in connection with such safe harbor legislation. Some of the information provided in this annual report constitutes forward-looking statements which reflect the Company’s current views with respect to future events and financial performance, but involve uncertainties that could significantly impact results. All forecasts and projections are “forward-looking” statements and are based on management’s current expectations of the Company’s near-term results. There can be no assurance that actual results will not differ materially from its expectations. For a more detailed explanation of the safe harbor statement and the risks, see the Company’s Form 10-K filed with the SEC.

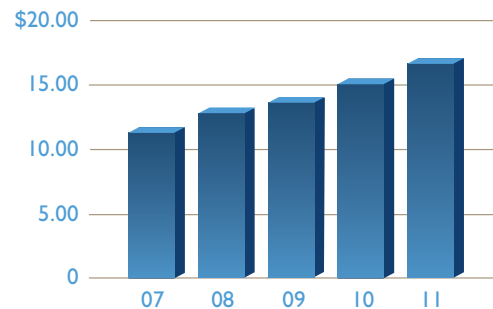
DILUTED EARNINGS

PER SHARE



SHAREHOLDERS' EQUITY

PER SHARE



CONSISTENCY AND SUSTAINABILITY

Serving Growth Markets with Recurring Revenue Products

CLARCOR is a global provider of filtration products, systems and services. We have a worldwide customer base, superb product quality, leading brands, an extensive distribution network, the industry's broadest product range and its largest sales force.

We believe there is tremendous value in consistency and sustainability – both in strategy and in execution. Our focus on manufacturing consumable, disposable products that are

continually purchased, used and then repurchased provides CLARCOR with a stable source of recurring business.

CLARCOR is the most diverse filter company in the world. Our goal is to achieve compounded annual growth rates in earnings per share of 10% to 15% over a three to five year period driven by internal growth programs, cost reduction initiatives and acquisitions.



DEAR SHAREHOLDERS AND EMPLOYEES:

FISCAL 2011 WAS ANOTHER RECORD YEAR FOR CLARCOR

CLARCOR net sales and earnings reached another record level in 2011. Sales grew by 11% and diluted earnings per share climbed to \$2.42 from \$1.88 last year – a 29% increase. Clearly, our strategy of being the most diversified filter company world wide, maintaining our emphasis on recurring revenue, serving growth markets around the world while profitably growing our business is paying off. As I have said many times: the world needs cleaner air and liquids. The end markets for our products are growing whether it is cleaning diesel fuel for heavy duty trucks, removing contaminants and water from natural gas or improving air quality in offices and homes. These opportunities, along with countless others, will fuel our future growth.

Our success is the result of many years of pursuing the right markets for our businesses and having the right people in our organization to realize success in those markets. Our decentralized structure enables us to quickly respond and focus on the needs of our customers with excellent products and services. We continue to emphasize high levels of service and responsiveness to our customers throughout our companies. More and more of our investments in technology are paying off with exciting new products that provide cleaner air and liquids for our customers.

2011 HIGHLIGHTS

- 16.1% operating margin and 34% gross margin were highest in twenty years

- Industrial/Environmental segment operating margin of 11.1% was highest in more than thirty years
- Engine/Mobile segment operating margin exceeded 20% for eleventh consecutive year
- China heavy-duty engine filter sales increased by almost 30% from 2010
- Generated \$119 million of cash from operations and returned \$51 million to shareholders
- Purchased TransWeb to enhance internal development of media technology
- Committed \$28 million to invest in additional heavy-duty engine filter capacity

ENGINE-MOBILE FILTRATION SEGMENT

Net sales in our Engine-Mobile Filtration segment were 14% higher in 2011 compared with 2010 exceeding \$500 million for the first time. This growth was driven by our Baldwin business unit including heavy-duty engine filter market share gains in the aftermarket in the U.S. and growth in foreign sales. Sales to OEM truck and engine manufacturers in China increased 29% in 2011 while export sales to other foreign markets including the Middle East and South America increased 20%. Our challenge going forward, especially in China, is to build the distribution system that we have in North America. In the not too distant future, the aftermarket in China for heavy-duty engine filters will be the largest in the world. We need to ensure we have the products and organization in place to meet the demands of our customers—wherever they are in the world.

INDUSTRIAL-ENVIRONMENTAL FILTRATION SEGMENT

Last year we targeted a 10% operating margin in 2011 for our Industrial-Environmental Filtration segment. Proudly, we can say that we reached that milestone. This achievement comes after a multi-year—and now complete—effort and investment in facilities, equipment and new products described in previous reports. We are confident that this operating margin will increase as we sell higher margin environmental air filters and grow our process liquid businesses. There is an increasing demand for higher performing products in most of the Industrial-Environmental Filtration markets we serve. We have increased our business by introducing products with our proprietary media. We have increased our aerospace business by leveraging current distribution, adding new customers and introducing new products. We are proud our filters are first-fit on the new Boeing Dreamliner. Our oil and gas business is growing around the world as we have become a leader in this important market. We anticipate our momentum in this segment to continue and our operating margin to further increase to 15% in no more than four years.

GROWTH

We are fortunate to serve many growing markets around the world. Our Engine-Mobile Filtration segment will continue to be the backbone of our company. We project this segment to grow 6–10% annually and to maintain its historical operating margin in excess of 20%. This performance will ensure the continued success of our company. While not yet at Baldwin's levels, our oil and gas businesses will be a significant growth driver for our company. There are opportunities not only in North America but also in Brazil, where we

sell filters used in offshore oil drilling. Australia is another key market where liquid natural gas is being exported to Japan and other countries.

As we have communicated through this letter in prior years, foreign sales will continue to grow at a faster rate than our domestic sales. We have opportunities around the world led by China, Brazil and the Middle East. Our Total Filtration Services (TFS) business unit is growing by diversifying its customer base which is resulting in higher profits and a stronger foundation to build upon. Our most recent acquisition, TransWeb, which manufactures and sells high performance filtration media is doing especially well. We see numerous opportunities to use this media in a number of existing and new CLARCOR markets. We continue to have the objective to increase sales with organic growth by 6–10% which will result in 10–12% net earnings growth. Acquisitions have been important to us in the past, and we will continue to pursue more, but we view acquisitions as being opportunistic. Our primary goal remains to increase net earnings at double-digit rates, including profitable foreign growth.

TECHNOLOGY

Every year we have invested more money in technology with special emphasis on filtration media. We are using our Protura® nanofiber media in a number of applications in our heavy-duty engine, locomotive, natural gas and HVAC markets.

While serving the aftermarket will remain our primary focus, we are working with a number of OEMs using our technology on their first-fit products. We expect to continue this and to invest more in R&D in the future. Being a

technology leader in our industry along with our traditional strengths of customer service, product coverage and worldwide presence will enable us to continue our historical growth rates.

BALANCE SHEET AND CASH FLOW

Consistent with prior years, we generated strong cash flow in 2011 including \$119 million of cash from operations. From this cash we funded \$22 million for capital expenditures and \$17 million for strategic acquisitions. In addition, we returned \$51 million to our shareholders through quarterly dividends and share repurchases. At year-end, we had \$156 million of cash and \$234 million of availability on our line of credit. Clearly, it has been our consistent operational success that has positioned us with this strong balance sheet. Our solid financial position will allow us to aggressively pursue continued investment in technology and international growth going forward, including being able to quickly respond to acquisition opportunities of all sizes in the diverse filtration markets we serve.

FINAL WORDS

As this is the last time I will be writing this letter to you, I want to thank you, the shareholders, for giving me a job for the last 22 years. To put it simply, it has been a lot of fun. Chris Conway assumed the role of CEO in December, and I will remain as Chairman until the end of this fiscal year. Chris brings a wealth of filtration experience, and I am confident he will lead the company to great success. Obviously, I am pleased we have become one of the leading filtration companies in the world, and our stock has increased at a rate of 15% compounded annually for the last 11 years. There are a lot of people who have worked very hard to make that happen. I want to recognize

my predecessors who laid the foundation for CLARCOR. Bill Nelson, who passed away this year, made a great decision to purchase Baldwin Filters. Larry Gloyd brought marketing expertise and pushed us to grow internationally. These two, along with many others, deserve a lot of credit. I especially want to thank every one of my CLARCOR co-workers for the great job they have done. I have enjoyed getting to know and working with you. Your hard work has enabled us to accomplish the results we have achieved.

I am confident CLARCOR will prosper in the future, and 2012 will be another record year.

Thank you,



Norman E. Johnson
Chairman

	2011	2010	2009	2008	2007	2006
PER SHARE						
Equity Attributable to CLARCOR	\$ 16.65	\$ 15.03	\$ 13.63	\$ 12.83	\$ 11.29	\$ 10.52
Diluted Net Earnings Attributable to CLARCOR	2.42	1.88	1.40	1.86	1.78	1.59
Dividends	0.4350	0.3975	0.3675	0.3300	0.2975	0.2750
Price: High	49.60	42.20	34.64	44.25	44.01	36.72
Low	39.13	30.41	23.05	25.03	29.57	26.87
EARNINGS DATA (\$000)						
Net Sales	\$ 1,126,601	\$ 1,011,429	\$ 907,748	\$ 1,059,601	\$ 921,191	\$ 904,347
Operating Profit	181,267	144,649	105,733	151,923	129,814	126,328
Interest Expense	469	546	2,120	6,532	1,010	814
Pretax Income	181,308	143,423	105,649	145,371	130,509	126,941
Income Taxes	56,947	47,072	33,819	49,310	39,675	43,795
Net Earnings	124,361	96,351	71,830	96,061	90,834	83,146
Diluted Average Shares Outstanding	51,191	51,156	51,120	51,466	50,885	52,177
EARNINGS ANALYSIS						
Operating Margin	16.1%	14.3%	11.6%	14.3%	14.1%	14.0%
Pretax Margin	16.1%	14.2%	11.6%	13.7%	14.2%	14.0%
Effective Tax Rate	31.4%	32.8%	32.0%	33.9%	30.4%	34.5%
Net Margin	11.0%	9.5%	7.9%	9.1%	9.9%	9.2%
Return on Beginning Assets	11.9%	9.9%	7.5%	13.0%	12.5%	12.3%
Return on Beginning Shareholders' Equity	16.4%	14.0%	11.0%	17.2%	16.8%	17.2%
Dividend Payout to Net Earnings	17.7%	21.0%	26.1%	17.6%	16.6%	17.2%
BALANCE SHEET (\$000)						
Cash and Short-Term Investments	\$ 157,104	\$ 117,730	\$ 91,448	\$ 47,984	\$ 40,943	\$ 61,246
Current Assets	600,899	526,273	448,528	432,571	371,920	380,340
Plant Assets, Net	184,992	181,175	188,091	192,599	169,212	146,529
Total Assets	1,134,933	1,042,411	973,890	957,882	739,135	727,516
Current Liabilities	160,050	163,457	131,942	143,503	114,171	118,428
Long-Term Debt	15,981	17,331	52,096	83,822	17,329	15,946
Redeemable Noncontrolling Interests	1,557	1,568	1,412	1,179	2,386	(47)
Shareholders' Equity	835,558	757,527	688,475	654,752	557,921	539,212
BALANCE SHEET ANALYSIS (\$000)						
Debt to Capitalization (A)	2.0%	2.3%	7.0%	11.4%	3.0%	2.9%
Working Capital	\$ 440,849	\$ 362,816	\$ 316,586	\$ 289,068	\$ 257,749	\$ 261,912
Current Ratio	3.8	3.2	3.4	3.0	3.3	3.2
CASH FLOW DATA (\$000)						
From Operations	\$ 119,449	\$ 143,402	\$ 113,693	\$ 107,136	\$ 137,324	\$ 63,581
For Investment	(39,064)	(21,836)	(29,899)	(108,900)	(47,867)	(21,342)
From/(For) Financing	(39,903)	(62,526)	(69,999)	16,155	(85,522)	(33,641)
Change in Cash & Equivalents	38,977	57,745	18,562	4,656	7,008	10,549
Capital Expenditures	22,486	23,371	21,740	34,908	37,024	17,588
Depreciation & Amortization	32,435	30,921	30,962	30,388	23,389	23,079
Dividends Paid	21,961	20,143	18,682	16,845	15,024	14,203
Net Interest Expense (Income)	(180)	258	1,842	5,159	(609)	(913)
Income Taxes Paid	37,959	54,560	32,208	42,346	41,517	44,446

(A) Total Debt (current and long-term) divided by Total Debt plus Shareholders' Equity.

	2005	2004	2003	2002	2001
\$	9.36	\$ 8.36	\$ 7.32	\$ 6.33	\$ 5.57
	1.46	1.24	1.08	0.93	0.84
	0.2588	0.2513	0.2463	0.2413	0.2363
	31.98	26.30	22.97	17.00	13.80
	24.60	20.08	15.53	12.52	8.44
\$	873,974	\$ 787,686	\$ 741,358	\$ 715,563	\$ 666,964
	118,492	98,177	87,062	77,775	75,810
	636	446	1,767	6,073	10,270
	117,922	99,060	86,059	71,450	65,734
	40,968	34,717	31,371	24,773	23,804
	76,954	64,343	54,688	46,677	41,930
	52,216	51,507	50,746	50,344	49,784
	13.6%	12.5%	11.7%	10.9%	11.4%
	13.5%	12.6%	11.6%	10.0%	9.9%
	34.7%	35.0%	36.5%	34.7%	36.2%
	8.8%	8.2%	7.4%	6.5%	6.3%
	12.3%	12.0%	10.0%	8.8%	8.4%
	17.9%	17.3%	17.3%	17.0%	17.3%
	17.5%	20.1%	22.7%	25.7%	27.6%
\$	28,902	\$ 22,520	\$ 8,348	\$ 13,747	\$ 7,418
	324,933	303,990	257,402	259,746	244,350
	149,505	142,242	129,572	132,892	137,316
	675,272	627,797	538,237	546,119	530,617
	121,470	126,272	111,373	174,255	94,931
	16,009	24,130	16,913	22,648	135,203
	602	513	531	382	308
	484,214	429,594	371,539	315,615	274,387
	3.2%	5.4%	4.5%	22.4%	33.9%
\$	203,463	\$ 177,718	\$ 146,029	\$ 85,491	\$ 149,419
	2.7	2.4	2.3	1.5	2.6
\$	89,346	\$ 71,806	\$ 85,396	\$ 85,019	\$ 63,290
	(51,512)	(62,209)	(12,986)	(18,978)	(51,353)
	(35,699)	1,063	(80,669)	(59,774)	(15,326)
	1,082	11,572	(7,899)	6,329	(3,446)
	24,032	22,352	13,042	12,204	18,204
	21,087	19,151	18,985	19,760	21,850
	13,385	12,834	12,406	11,975	11,575
	(292)	61	1,532	5,612	9,616
	29,483	25,633	22,607	17,678	26,858



CLARCOR INC.

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www.clarcor.com

TRANSFER AGENT & REGISTRAR DIVIDEND REINVESTMENT PLAN

Computershare Investor Services
250 Royall Street
Canton, Massachusetts 02021
800.622.6757 (in the U.S., Canada & Puerto Rico)
781.575.4735 (outside the U.S., Canada & Puerto Rico)
Or web.queries@computershare.com
Or at www.computershare.com/investor

AUDITORS

PricewaterhouseCoopers LLP
830 Crescent Centre Drive, Suite 260
Nashville, Tennessee 37067

ANNUAL MEETING

Hilton Naples Florida Hotel
5111 Tamiami Trail North
Naples, Florida 34103
Tuesday, March 27, 2012
9:00 a.m. Eastern Daylight Time

SEC FORM 10-K

A copy of the 2011 Form 10-K or any other SEC filings
may be obtained from:

CORPORATE SECRETARY

CLARCOR Inc.
840 Crescent Centre Drive, Suite 600
Franklin, Tennessee 37067
615.771.3100 or at www.clarcor.com

EXECUTIVE OFFICERS

Christopher L. Conway
President & Chief Executive Officer
Age: 56
5 Years of Service

David J. Fallon
Chief Financial Officer & Chief Accounting Officer
Age: 42
3 Years of Service

Sam Ferrise
President
Baldwin Filters, Inc.
Age: 55
10 Years of Service

Norman E. Johnson
Executive Chairman
Age: 63
21 Years of Service

David J. Lindsay
Vice President – Administration & Chief Administrative Officer
Age: 56
24 Years of Service

Richard M. Wolfson
Vice President – General Counsel & Corporate Secretary
Age: 45
6 Years of Service

BOARD OF DIRECTORS

J. Marc Adam
Retired Vice President, Marketing
3M (A diversified manufacturer)
St. Paul, Minnesota
Age: 73
Director Since: 1991

James W. Bradford, Jr.
Dean, Owen Graduate School of Management
Vanderbilt University
Nashville, Tennessee
Age: 64
Director Since: 2006

Robert J. Burgstahler
Retired Senior Vice President,
Business Development & Corporate Services
3M (A diversified manufacturer)
St. Paul, Minnesota
Age: 67
Director Since: 2000

Paul Donovan
Retired Executive Vice President & Chief Financial Officer
Wisconsin Energy Corporation
(A diversified utility and energy holding company)
Milwaukee, Wisconsin
Age: 64
Director since: 2003

Mark A. Emkes
Retired Chairman, Chief Executive Officer & President
Bridgestone Americas, Inc.
Nashville, Tennessee
Age: 58
Director since: 2010

Robert H. Jenkins
Retired Chairman
Hamilton Sundstrand Corporation
(A diversified manufacturer)
Rockford, Illinois
Age: 68
Director Since: 1999

Norman E. Johnson
Chairman
CLARCOR Inc.
Franklin, Tennessee
Age: 63
Director Since: 1996

Philip R. Lochner, Jr.
Retired Corporate Executive
Age: 68
Director Since: 1999

James L. Packard
Retired Chairman
REGAL-BELOIT Corporation
(A diversified manufacturer)
Beloit, Wisconsin
Age: 69
Director Since: 1998



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