

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

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**Date of Report (Date of earliest event reported): February 18, 2015**

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**CIRCOR INTERNATIONAL, INC.**  
(Exact name of registrant as specified in its charter)

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**DELAWARE**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**001-14962**  
(Commission file number)

**04-3477276**  
(I.R.S. Employer  
Identification No.)

**30 CORPORATE DRIVE, SUITE 200  
BURLINGTON, MASSACHUSETTS 01803-4238**  
(Address of principal executive offices) (Zip Code)

**(781) 270-1200**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## **Item 2.02 Results of Operations and Financial Condition.**

By press release dated February 18, 2015, the Company announced its financial results for the three months ended December 31, 2014. The full text of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 of Form 8-K and the Exhibits 99.1 & 99.2 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any registration statement or other document filed under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by special reference in such filing.

In the press release and accompanying supplemental information, the Company uses the following non-GAAP financial measures: free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, adjusted earnings per share (EPS), and Q1 2014 proforma revenue and adjusted EPS. Management of the Company believes that free cash flow (defined as net cash flow from operating activities, less capital expenditures) is an important measure of its liquidity as well as its ability to service long-term debt, fund future growth and to provide a return to shareholders. We also believe this free cash flow definition does not have any material limitations. EBIT (defined as net income plus interest expense, net, plus provision for income taxes), EBITDA (defined as net income plus interest expense, net, plus provision for income taxes, plus depreciation and amortization), adjusted operating income (defined as operating income, excluding the impact of restructuring related inventory, impairment and special charges/gains), adjusted net income (defined as net income, excluding the impact of restructuring related inventory, impairment and special charges/gains, net of tax), adjusted EPS (defined as earnings per common share, excluding restructuring related inventory, impairment and special charges/gains, net of tax) and Q1 2014 proforma revenue and adjusted EPS (defined as Q1 2014 revenue and adjusted EPS excluding 2 divested businesses and foreign subsidiary amounts converted at current exchange rates) are provided because management believes these measurements are useful for investors and financial institutions to analyze and compare companies on the basis of operating performance. Management believes Q1 2014 proforma non-GAAP measures are important for investors to consider when evaluating the outlook of future Company performance. Free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, adjusted EPS, and Q1 2014 proforma revenue and EPS are not measurements for financial performance under GAAP and should not be construed as a substitute for cash flows, operating income, net income or earnings per share. Free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, adjusted EPS, and Q1 2014 proforma revenue and EPS as we have calculated here, may not necessarily be comparable to similarly titled measures used by other companies. A reconciliation of free cash flow, EBIT, EBITDA, adjusted operating income, adjusted net income, and adjusted EPS to the most directly comparable GAAP financial measure is provided in the supplemental information table titled “Reconciliation of Key Performance Measures to Commonly Used Generally Accepted Accounting Principle Terms” which is included as an attachment to the press release in Exhibit 99.1. A reconciliation of Q1 2014 proforma revenue and EPS to the most directly comparable GAAP financial measure is provided in the supplemental information table titled "Pro forma Q1 2014" which is included as an attachment to the press release in Exhibit 99.2

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
99.1	Press Release regarding Earnings, Dated February 18, 2015
99.2	Fourth Quarter 2014 Investor Review Presentation

## 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.

Date: February 18, 2015

**CIRCOR INTERNATIONAL, INC.**

/s/ Rajeev Bhalla

By: Rajeev Bhalla

Title: Executive Vice President and Chief Financial Officer

## CIRCOR Reports Fourth-Quarter and Year-End 2014 Financial Results

**Burlington, MA - February 18, 2015** - CIRCOR International, Inc. (NYSE: CIR), a leading provider of valves and other highly engineered products for markets including oil & gas, power generation and aerospace & defense, today announced financial results for the fourth quarter and fiscal year ended December 31, 2014.

### Fourth-Quarter 2014 Highlights

- *Revenue increases 6% organically to \$218.6 million*
- *Adjusted EPS grows 14% to \$1.08*
- *Completed 2 divestitures*
- *Company announces new restructuring actions*
- *Company announces new Energy Group President*

### Full-Year 2014 Highlights

- *Adjusted Operating Margins expand 30 bps*
- *Adjusted EPS increases 16% to \$3.72*
- *Free cash flow of \$58 million, or 115% of net income*

“CIRCOR concluded 2014 with strong top-line growth and free cash flow generation in the fourth quarter,” said [Scott Buckhout](#), President and Chief Executive Officer. “Revenues for the quarter were up 6% organically from the prior year driven in large part by our North American short-cycle businesses. In addition, we are reporting adjusted EPS of \$1.08 for the quarter and \$3.72 for the full year. Full year free cash flow was 115% of net income.”

During the quarter, a number of Brazilian engineering and construction customers filed for bankruptcy resulting in a \$0.34 per share charge against outstanding receivables and an operating margin reduction of approximately 300 basis points. In addition, EPS reflects a net tax benefit of \$0.21 per share primarily due to the utilization of foreign tax credits.

“Looking ahead to 2015, we expect the recent decline in oil prices to put pressure on our top line. As a result, we are implementing a broad-based cost reduction program, including restructuring actions, to mitigate the impact on our earnings and to align our businesses with a lower near-term demand outlook. We expect to take actions generating approximately \$8 million of annualized savings. We commenced these actions earlier this quarter and expect to complete them before the end of the second quarter,” added Buckhout.

“Going forward, we will continue to invest in growth, simplify the Company and remain focused on building shareholder value through growth, margin expansion, strong cash flows and disciplined capital deployment,” concluded Buckhout.

### First-Quarter 2015 Guidance

For the first quarter of 2015, the Company will provide its guidance during the conference call later today.

## Selected Consolidated Results

<i>(In millions, except percentages and bps)</i>	Q4 2014	Q4 2013	Change	FY 2014	FY 2013	Change
Revenue	\$ 218.6	\$ 214.0	2%	\$ 841.4	\$ 857.8	-2%
Adjusted Operating Income <sup>1</sup>	\$ 21.0	\$ 24.8	-15%	\$ 86.2	\$ 85.3	1%
Adjusted Operating Margin <sup>1</sup>	9.6%	11.6%	-200 bps	10.2%	9.9%	30 bps
GAAP Earnings Per Share (Diluted)	\$ 0.51	\$ 0.50	2%	\$ 2.84	\$ 2.67	6%
Adjusted Earnings Per Share (Diluted) <sup>1</sup>	\$ 1.08	\$ 0.95	14%	\$ 3.72	\$ 3.21	16%
Orders	\$ 203.4	\$ 231.1	-12%	\$ 849.3	\$ 881.3	-4%
Free Cash Flow	\$ 22.3	\$ 14.7	51%	\$ 58.0	\$ 54.9	6%

## Segment Results

<i>(In millions, except percentages and bps)</i>	Q4 2014	Q4 2013	Change	FY 2014	FY 2013	Change
<b>Energy</b>						
Revenue	\$ 172.4	\$ 162.6	6%	\$ 653.3	\$ 661.0	-1%
Adjusted Operating Margin <sup>1</sup>	14.3%	17.1%	-280 bps	14.9%	14.1%	80 bps
Orders	\$ 158.3	\$ 187.4	-16%	\$ 675.9	\$ 691.7	-2%

<b>Aerospace &amp; Defense</b>						
Revenue	\$ 46.1	\$ 51.4	-10%	\$ 188.2	\$ 196.8	-4%
Adjusted Operating Margin <sup>1</sup>	5.3%	8.4%	-310 bps	6.6%	9.5%	-290 bps
Orders	\$ 45.1	\$ 43.7	3%	\$ 173.4	\$ 189.6	-9%

1. Consolidated and Segment Results includes approximately \$6.5 million of Q4 2014 charges associated with certain Brazilian customers for outstanding receivables and excludes special, restructuring charges/(recoveries) and impairments of \$12.9 million, \$12.0 million, \$13.5 million and \$15.5 million during Q4 2014, Q4 2013, FY2014 and FY2013 respectively, as well as restructuring inventory charges of \$5.1 million and \$2.9 million recorded in Q2 and Q3 2014, respectively, and \$0.6 million during Q4 2013.

## Conference Call Information

CIRCOR International will hold a conference call to review its financial results today, February 18, 2015, at 10:00 a.m. ET. To listen to the conference call and view the accompanying presentation slides, visit “Webcasts & Presentations” in the “[Investors](#)” portion of the CIRCOR website. The call also can be accessed by dialing (877) 407-5790 or (201) 689-8328. The webcast will be archived for one year on the Company’s website.

## Use of Non-GAAP Financial Measures

Adjusted net income, adjusted earnings per diluted share, adjusted operating margin, and free cash flow are non-GAAP financial measures and are intended to serve as a complement to results provided in accordance with accounting principles generally accepted in the United States. CIRCOR believes that such information provides an additional measurement and consistent historical comparison of the Company’s performance. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in this news release.

## Safe Harbor Statement

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Any statements in this press release that are not statements of historical fact are forward-looking statements, including, but not limited to, those relating to CIRCOR's future performance, including estimated total annualized pre-tax savings from restructuring actions. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORMS 10-Q, WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT WWW.CIRCOR.COM. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**About CIRCOR International, Inc.**

CIRCOR International, Inc. designs, manufactures and markets highly engineered products and sub-systems for markets including oil & gas, power generation and aerospace & defense. CIRCOR has a diversified product portfolio with recognized, market-leading brands that fulfill its customers' unique application needs. The Company's strategy is to grow organically and through complementary acquisitions; simplify CIRCOR's operations; achieve world class operational excellence; and attract and retain top industry talent. For more information, visit the Company's investor relations web site at <http://investors.circor.com>.

**Contact:**

Rajeev Bhalla  
Executive Vice President & Chief Financial Officer  
CIRCOR International  
(781) 270-1200

**CIRCOR INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
*(in thousands, except share data)*  
**UNAUDITED**

	Three Months Ended		Twelve Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Net revenues	\$ 218,558	\$ 214,035	\$ 841,446	\$ 857,808
Cost of revenues	148,093	146,528	584,426	590,207
GROSS PROFIT	70,465	67,507	257,520	267,601
Selling, general and administrative expenses	49,430	43,394	178,800	182,954
Impairment charges	726	6,872	726	6,872
Special charges, net	12,159	5,160	12,737	8,602
OPERATING INCOME	8,150	12,081	64,757	69,173
Other (income) expense:				
Interest expense, net	407	792	2,652	3,161
Other (income) expense, net	(722)	167	(1,156)	1,975
TOTAL OTHER (INCOME) EXPENSE	(315)	959	1,496	5,136
INCOME BEFORE INCOME TAXES	8,465	11,122	63,261	64,037
Provision (benefit) for income taxes	(690)	2,297	12,875	16,916
NET INCOME	\$ 9,155	\$ 8,825	\$ 50,386	\$ 47,121
Earnings per common share:				
Basic	\$ 0.52	\$ 0.50	\$ 2.85	\$ 2.68
Diluted	\$ 0.51	\$ 0.50	\$ 2.84	\$ 2.67
Weighted average number of common shares outstanding:				
Basic	17,678	17,594	17,660	17,564
Diluted	17,782	17,710	17,768	17,629
Dividends paid per common share	\$ 0.0375	\$ 0.0375	\$ 0.1500	\$ 0.1500



**CIRCOR INTERNATIONAL, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(in thousands)*  
**(UNAUDITED)**

	Twelve Months Ended	
	December 31, 2014	December 31, 2013
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 50,386	\$ 47,121
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16,446	16,034
Amortization	3,116	3,039
Provision for bad debt expense	7,817	1,194
Intangible impairment charges	726	6,872
Compensation expense of share-based plans	7,188	5,056
Tax effect of share-based plan compensation	(756)	(732)
Deferred (benefit) income taxes	(2,740)	5,778
Gain on property, plant and equipment	(79)	(322)
Loss on sale of businesses	3,413	—
Gain on return of acquisition purchase price	—	(3,400)
Changes in operating assets and liabilities:		
Trade accounts receivable, net	(38,439)	7,009
Inventories, net	(3,952)	(311)
Prepaid expenses and other assets	884	160
Accounts payable, accrued expenses and other liabilities	26,816	(15,292)
Net cash provided by operating activities	70,826	72,206
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(12,810)	(17,328)
Proceeds from the sale of property, plant and equipment	791	664
Proceeds from divestitures	10,177	—
Business acquisitions, return of purchase price	—	3,400
Net cash used in investing activities	(1,842)	(13,264)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	150,062	146,578
Payments of long-term debt	(185,361)	(166,239)
Debt issuance costs	(920)	—
Dividends paid	(2,681)	(2,700)
Proceeds from the exercise of stock options	420	2,394
Tax effect of share-based compensation	756	732
Net cash used in financing activities	(37,724)	(19,235)
Effect of exchange rate changes on cash and cash equivalents	(12,156)	735
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>19,106</b>	<b>40,442</b>
Cash and cash equivalents at beginning of year	102,180	61,738
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 121,286</b>	<b>\$ 102,180</b>
Cash paid during the year for:		
Income taxes	\$ 16,672	\$ 8,143
Interest	\$ 2,476	\$ 960

**CIRCOR INTERNATIONAL, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(in thousands)*

	<u>December 31, 2014</u>	<u>December 31, 2013</u>
	<b>(unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 121,286	\$ 102,180
Short-term investments	86	95
Trade accounts receivable, less allowance for doubtful accounts of \$9,536 and \$2,449, respectively	156,738	144,742
Inventories, net	183,434	199,404
Prepaid expenses and other current assets	21,626	19,815
Deferred income tax asset	22,861	17,686
Total Current Assets	<u>506,031</u>	<u>483,922</u>
PROPERTY, PLANT AND EQUIPMENT, NET	96,212	107,724
<b>OTHER ASSETS:</b>		
Goodwill	72,430	75,876
Intangibles, net	26,887	35,656
Deferred income tax asset	19,048	18,579
Other assets	4,114	4,893
<b>TOTAL ASSETS</b>	<u><u>\$ 724,722</u></u>	<u><u>\$ 726,650</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 87,112	\$ 70,589
Accrued expenses and other current liabilities	63,911	57,507
Accrued compensation and benefits	24,728	31,289
Income taxes payable	1,312	3,965
Notes payable and current portion of long-term debt	8,423	7,203
Total Current Liabilities	<u>185,486</u>	<u>170,553</u>
LONG-TERM DEBT, NET OF CURRENT PORTION	5,261	42,435
DEFERRED INCOME TAXES	7,771	9,666
OTHER NON-CURRENT LIABILITIES	32,111	27,109
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock	177	176
Additional paid-in capital	277,227	269,884
Retained earnings	250,635	202,930
Accumulated other comprehensive (loss) gain, net of taxes	<u>(33,946)</u>	<u>3,897</u>
Total Shareholders' Equity	<u>494,093</u>	<u>476,887</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>\$ 724,722</u></u>	<u><u>\$ 726,650</u></u>

**CIRCOR INTERNATIONAL, INC.**  
**SUMMARY OF ORDERS AND BACKLOG**  
*(in millions)*  
**UNAUDITED**

	Three Months Ended		Twelve Months Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>ORDERS (1)</b>				
Energy	\$ 158.3	\$ 187.4	\$ 675.9	\$ 691.7
Aerospace & Defense	45.1	43.7	173.4	189.6
Total orders	<u>\$ 203.4</u>	<u>\$ 231.1</u>	<u>\$ 849.3</u>	<u>\$ 881.3</u>
<b>BACKLOG (2)</b>				
	December 31, 2014	December 31, 2013		
Energy (3)	\$ 252.1	\$ 288.7		
Aerospace & Defense (4)	108.8	173.9		
Total backlog	<u>\$ 361.0</u>	<u>\$ 462.6</u>		

Note 1: Orders do not include the foreign exchange impact due to the re-measurement of customer order backlog amounts denominated in foreign currencies.

Note 2: Backlog includes unshipped customer orders.

Note 3: Energy backlog was reduced during the fourth quarter of 2014 by \$25.4 million related to a business divestiture and customer order cancellations initially recorded in prior years.

Note 4: Aerospace & Defense reduced backlog in the second quarter of 2014 by \$28.6 million associated with the exit of certain landing gear product lines and in the fourth quarter of 2014 by \$13.5 million associated with a business divestiture and change in policy.

**CIRCOR INTERNATIONAL, INC.**  
**SUMMARY REPORT BY SEGMENT**  
*(in thousands, except earnings per share)*  
**UNAUDITED**

	2013					2014				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>NET REVENUES</b>										
Energy	\$157,104	\$ 173,557	\$ 167,660	\$ 162,649	\$660,970	\$162,587	\$ 160,580	\$157,658	\$172,432	\$653,257
Aerospace & Defense	48,294	50,087	47,071	51,386	196,838	48,599	47,304	46,160	46,126	188,189
Total	\$205,398	\$ 223,644	\$ 214,731	\$ 214,035	\$857,808	\$211,186	\$ 207,884	\$203,818	\$218,558	\$841,446
<b>ADJUSTED OPERATING MARGIN</b>										
Energy	10.8 %	13.3 %	15.2 %	17.1 %	14.1 %	13.8 %	14.6 %	16.9 %	14.3 %	14.9 %
Aerospace & Defense	5.9 %	11.4 %	12.1 %	8.4 %	9.5 %	9.1 %	7.1 %	5.0 %	5.3 %	6.6 %
Segment operating margin	9.6 %	12.9 %	14.5 %	15.0 %	13.0 %	12.7 %	12.9 %	14.2 %	12.4 %	13.0 %
Corporate expenses	(2.6)%	(2.9)%	(3.4)%	(3.5)%	(3.1)%	(3.4)%	(2.2)%	(2.8)%	(2.7)%	(2.8)%
Adjusted operating margin	7.1 %	10.0 %	11.1 %	11.6 %	9.9 %	9.4 %	10.7 %	11.4 %	9.6 %	10.2 %
Restructuring inventory charges	0.1 %	(0.1)%	— %	0.3 %	0.1 %	— %	2.5 %	1.4 %	— %	0.9 %
Impairment charges	— %	— %	— %	3.2 %	0.8 %	— %	— %	— %	0.3 %	0.1 %
Special (recoveries)	— %	— %	(1.5)%	— %	(0.4)%	(1.1)%	— %	— %	— %	(0.3)%
Special charges	0.7 %	1.0 %	1.4 %	2.4 %	1.4 %	0.5 %	0.6 %	0.2 %	5.6 %	1.8 %
Total GAAP operating margin	6.3 %	9.1 %	11.1 %	5.6 %	8.1 %	9.9 %	7.6 %	9.7 %	3.7 %	7.7 %

**CIRCOR INTERNATIONAL, INC.**  
**SUMMARY REPORT BY SEGMENT**  
*(in thousands, except earnings per share)*  
**UNAUDITED**

	2013					2014				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>ADJUSTED OPERATING INCOME</b>										
Energy	\$ 16,940	\$ 23,114	\$ 25,441	\$ 27,809	\$ 93,304	\$ 22,462	\$ 23,502	\$ 26,577	\$ 24,575	\$ 97,117
Aerospace & Defense	2,864	5,724	5,705	4,342	18,635	4,426	3,362	2,295	2,425	12,508
Segment operating income	19,804	28,838	31,146	32,151	111,939	26,888	26,864	28,872	27,000	109,625
Corporate expenses	(5,277)	(6,570)	(7,400)	(7,400)	(26,646)	(7,137)	(4,634)	(5,678)	(5,965)	(23,415)
Adjusted operating income	14,528	22,268	23,746	24,751	85,293	19,750	22,231	23,194	21,035	86,210
Restructuring inventory charges	250	(242)	—	638	646	—	5,139	2,850	—	7,989
Impairment charges	—	—	—	6,872	6,872	—	—	—	726	726
Special (recoveries)	—	—	(3,151)	—	(3,151)	(2,243)	—	—	—	(2,243)
Special charges	1,378	2,254	2,961	5,160	11,752	1,086	1,257	478	12,159	14,980
Total GAAP operating income	12,900	20,256	23,936	12,081	69,174	20,907	15,834	19,866	8,150	64,757
INTEREST EXPENSE, NET	(787)	(838)	(745)	(792)	(3,162)	(918)	(891)	(436)	(407)	(2,652)
OTHER (EXPENSE) INCOME, NET	(612)	(626)	(568)	(167)	(1,974)	468	384	(419)	722	1,156
PRETAX INCOME	11,501	18,792	22,623	11,122	64,038	20,457	15,328	19,012	8,465	63,261
(PROVISION) BENEFIT FOR INCOME TAXES	(3,592)	(6,124)	(4,903)	(2,297)	(16,916)	(5,825)	(3,402)	(4,337)	690	(12,875)
EFFECTIVE TAX RATE	31.2 %	32.6 %	21.7 %	20.7 %	26.4 %	28.5 %	22.2 %	22.8 %	(8.2)%	20.4 %
<b>NET INCOME</b>	<b>\$ 7,908</b>	<b>\$ 12,668</b>	<b>\$ 17,720</b>	<b>\$ 8,825</b>	<b>\$ 47,121</b>	<b>\$ 14,632</b>	<b>\$ 11,926</b>	<b>\$ 14,675</b>	<b>\$ 9,155</b>	<b>\$ 50,386</b>
Weighted Average Common Shares Outstanding (Diluted)	17,529	17,607	17,667	17,710	17,629	17,741	17,767	17,779	17,782	17,768
<b>EARNINGS PER COMMON SHARE (Diluted)</b>	<b>\$ 0.45</b>	<b>\$ 0.72</b>	<b>\$ 1.00</b>	<b>\$ 0.50</b>	<b>\$ 2.67</b>	<b>\$ 0.82</b>	<b>\$ 0.67</b>	<b>\$ 0.83</b>	<b>\$ 0.51</b>	<b>\$ 2.84</b>
<b>ADJUSTED EBITDA</b>	<b>\$ 18,682</b>	<b>\$ 26,419</b>	<b>\$ 27,850</b>	<b>\$ 29,441</b>	<b>\$102,392</b>	<b>\$ 25,073</b>	<b>\$ 27,536</b>	<b>\$ 27,530</b>	<b>\$ 26,789</b>	<b>\$106,927</b>
<b>ADJUSTED EBITDA AS A % OF SALES</b>	<b>9.1 %</b>	<b>11.8 %</b>	<b>13.0 %</b>	<b>13.8 %</b>	<b>11.9 %</b>	<b>11.9 %</b>	<b>13.2 %</b>	<b>13.5 %</b>	<b>12.3 %</b>	<b>12.7 %</b>
<b>CAPITAL EXPENDITURES</b>	<b>\$ 4,707</b>	<b>\$ 4,100</b>	<b>\$ 4,772</b>	<b>\$ 3,749</b>	<b>\$ 17,328</b>	<b>\$ 2,670</b>	<b>\$ 2,933</b>	<b>\$ 3,297</b>	<b>\$ 3,910</b>	<b>\$ 12,810</b>

**CIRCOR INTERNATIONAL, INC.**  
**RECONCILIATION OF KEY PERFORMANCE MEASURES TO COMMONLY USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS**  
*(in thousands, except earnings per share)*  
**UNAUDITED**

	2013					2014				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>FREE CASH FLOW AS % OF NET INCOME</b>	<b>14%</b>	<b>75%</b>	<b>167%</b>	<b>167%</b>	<b>116%</b>	<b>98%</b>	<b>62%</b>	<b>96%</b>	<b>243%</b>	<b>115%</b>
<b>FREE CASH FLOW</b>	<b>\$ 1,100</b>	<b>\$ 9,525</b>	<b>\$ 29,557</b>	<b>\$ 14,696</b>	<b>\$ 54,878</b>	<b>\$ 14,387</b>	<b>\$ 7,365</b>	<b>\$ 14,015</b>	<b>\$ 22,249</b>	<b>\$ 58,016</b>
ADD:										
Capital Expenditures	4,707	4,100	4,772	3,749	17,328	2,670	2,933	3,297	3,910	12,810
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 5,807</b>	<b>\$ 13,625</b>	<b>\$ 34,329</b>	<b>\$ 18,445</b>	<b>\$ 72,206</b>	<b>\$ 17,057</b>	<b>\$ 10,298</b>	<b>\$ 17,312</b>	<b>\$ 26,159</b>	<b>\$ 70,826</b>
<b>NET DEBT (CASH)</b>	<b>\$ 8,814</b>	<b>\$ (1,376)</b>	<b>\$ (36,466)</b>	<b>\$ (52,637)</b>	<b>\$ (52,637)</b>	<b>\$ (66,056)</b>	<b>\$ (72,982)</b>	<b>\$ (80,829)</b>	<b>\$ (107,688)</b>	<b>\$ (107,688)</b>
ADD:										
Cash & Cash Equivalents	57,633	60,831	86,285	102,180	102,180	122,097	116,326	114,580	121,286	121,286
Investments	99	96	98	95	95	92	95	91	86	86
<b>TOTAL DEBT</b>	<b>\$ 66,546</b>	<b>\$ 59,551</b>	<b>\$ 49,917</b>	<b>\$ 49,638</b>	<b>\$ 49,638</b>	<b>\$ 56,133</b>	<b>\$ 43,439</b>	<b>\$ 33,842</b>	<b>\$ 13,684</b>	<b>\$ 13,684</b>
<b>DEBT AS % OF EQUITY</b>	<b>16%</b>	<b>14%</b>	<b>11%</b>	<b>10%</b>	<b>10%</b>	<b>11%</b>	<b>9%</b>	<b>7%</b>	<b>3%</b>	<b>3%</b>
<b>TOTAL DEBT</b>	<b>66,546</b>	<b>59,551</b>	<b>49,917</b>	<b>49,638</b>	<b>49,638</b>	<b>56,133</b>	<b>43,439</b>	<b>33,842</b>	<b>13,684</b>	<b>13,684</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>418,819</b>	<b>432,151</b>	<b>459,058</b>	<b>476,887</b>	<b>476,887</b>	<b>492,601</b>	<b>507,363</b>	<b>508,035</b>	<b>494,093</b>	<b>494,093</b>

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	2013					2014				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>ADJUSTED OPERATING INCOME</b>	<b>\$ 14,528</b>	<b>\$ 22,268</b>	<b>\$ 23,746</b>	<b>\$ 24,751</b>	<b>\$ 85,293</b>	<b>\$ 19,750</b>	<b>\$ 22,230</b>	<b>\$ 23,194</b>	<b>\$ 21,035</b>	<b>\$ 86,210</b>
LESS:										
Inventory restructuring charges	250	(242)	—	638	646	—	5,139	2,850	—	7,989
Impairment charges	—	—	—	6,872	6,872	—	—	—	726	726
Special (recoveries)	—	—	(3,151)	—	(3,151)	(2,243)	—	—	—	(2,243)
Special charges	1,378	2,254	2,961	5,160	11,753	1,086	1,257	478	12,159	14,980
OPERATING INCOME	\$ 12,900	\$ 20,256	\$ 23,936	\$ 12,081	\$ 69,173	\$ 20,907	\$ 15,834	\$ 19,866	\$ 8,150	\$ 64,757
<b>ADJUSTED NET INCOME</b>	<b>\$ 9,043</b>	<b>\$ 14,044</b>	<b>\$ 16,439</b>	<b>\$ 16,773</b>	<b>\$ 56,299</b>	<b>\$ 13,916</b>	<b>\$ 16,090</b>	<b>\$ 16,827</b>	<b>\$ 19,188</b>	<b>\$ 66,019</b>
LESS:										
Inventory restructuring charges, net of tax	174	(165)	—	396	405	—	3,316	1,857	—	5,173
Impairment charges, net of tax	—	—	—	4,261	4,261	—	—	—	726	726
Special (recoveries), net of tax	—	—	(3,151)	—	(3,151)	(1,391)	—	—	—	(1,391)
Special charges, net of tax	961	1,541	1,870	3,291	7,663	675	848	295	9,307	11,125
NET INCOME	\$ 7,908	\$ 12,668	\$ 17,720	\$ 8,825	\$ 47,121	\$ 14,632	\$ 11,926	\$ 14,675	\$ 9,155	\$ 50,386
<b>ADJUSTED EARNINGS PER SHARE (Diluted)</b>	<b>\$ 0.52</b>	<b>\$ 0.81</b>	<b>\$ 0.93</b>	<b>\$ 0.95</b>	<b>\$ 3.21</b>	<b>\$ 0.78</b>	<b>\$ 0.91</b>	<b>\$ 0.95</b>	<b>\$ 1.08</b>	<b>\$ 3.72</b>
LESS:										
Inventory restructuring charges, net of tax	0.01	(0.01)	—	0.02	0.02	—	0.19	0.10	—	0.29
Impairment charges, net of tax	—	—	—	0.24	0.24	—	—	—	0.04	0.04
Special (recoveries), net of tax	—	—	(0.18)	—	(0.18)	(0.08)	—	—	—	(0.08)
Special charges, net of tax	0.06	0.10	0.11	0.19	0.46	0.04	0.05	0.02	0.52	0.63
EARNINGS PER COMMON SHARE (Diluted)	\$ 0.45	\$ 0.72	\$ 1.00	\$ 0.50	\$ 2.67	\$ 0.82	\$ 0.67	\$ 0.83	\$ 0.51	\$ 2.84

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	2013					2014				
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL	1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
<b>EBITDA</b>	<b>\$ 17,054</b>	<b>\$ 24,407</b>	<b>\$ 23,368</b>	<b>\$ 11,914</b>	<b>\$ 86,272</b>	<b>\$ 26,230</b>	<b>\$ 21,140</b>	<b>\$ 24,202</b>	<b>\$ 13,904</b>	<b>\$ 85,475</b>
LESS:										
Interest expense, net	(787)	(838)	(745)	(792)	(3,162)	(918)	(891)	(436)	(407)	(2,652)
Depreciation	(4,009)	(4,026)	(3,908)	(4,091)	(16,034)	(4,069)	(4,116)	(3,978)	(4,283)	(16,446)
Amortization	(758)	(751)	(764)	(766)	(3,039)	(786)	(805)	(776)	(749)	(3,116)
(Provision) Benefit for income taxes	(3,592)	(6,124)	(4,903)	(2,297)	(16,916)	(5,825)	(3,402)	(4,337)	690	(12,875)
<b>NET INCOME</b>	<b>\$ 7,908</b>	<b>\$ 12,668</b>	<b>\$ 17,720</b>	<b>\$ 8,825</b>	<b>\$ 47,121</b>	<b>\$ 14,632</b>	<b>\$ 11,926</b>	<b>\$ 14,675</b>	<b>\$ 9,155</b>	<b>\$ 50,386</b>
<b>ADJUSTED EBITDA</b>	<b>\$ 18,682</b>	<b>\$ 26,419</b>	<b>\$ 27,850</b>	<b>\$ 29,441</b>	<b>\$ 102,392</b>	<b>\$ 25,073</b>	<b>\$ 27,536</b>	<b>\$ 27,530</b>	<b>\$ 26,789</b>	<b>\$ 106,927</b>
Inventory restructuring charges	(250)	242	—	(638)	(646)	—	(5,139)	(2,850)	—	(7,989)
Impairment charges	—	—	—	(6,872)	(6,872)	—	—	—	(726)	(726)
Special (recoveries)	—	—	3,151	—	3,151	2,243	—	—	—	2,243
Special charges	(1,378)	(2,254)	(2,961)	(5,160)	(11,753)	(1,086)	(1,257)	(478)	(12,159)	(14,980)
Interest expense, net	(787)	(838)	(745)	(792)	(3,162)	(918)	(891)	(436)	(407)	(2,652)
Depreciation	(4,009)	(4,026)	(3,908)	(4,091)	(16,034)	(4,069)	(4,116)	(3,978)	(4,283)	(16,446)
Amortization	(758)	(751)	(764)	(766)	(3,039)	(786)	(805)	(776)	(749)	(3,116)
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Energy | Aerospace & Defense

## Fourth Quarter 2014 Investor Review

Presented February 18, 2015

# Safe Harbor

*This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. Any statements in this presentation that are not statements of historical fact are forward-looking statements, including, but not limited to, those relating to CIRCOR's future performance, including first-quarter revenue and earnings guidance, as well as the savings anticipated to result from the restructuring activities discussed herein. Actual events, performance or results could differ materially from the anticipated events, performance or results expressed or implied by such forward-looking statements. BEFORE MAKING ANY INVESTMENT DECISIONS REGARDING OUR COMPANY, WE STRONGLY ADVISE YOU TO READ THE SECTION ENTITLED "RISK FACTORS" IN OUR MOST RECENT ANNUAL REPORT ON FORM 10-K AND SUBSEQUENT REPORTS ON FORMS 10-Q, WHICH CAN BE ACCESSED UNDER THE "INVESTORS" LINK OF OUR WEBSITE AT [WWW.CIRCOR.COM](http://WWW.CIRCOR.COM). We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.*

*Within this presentation the Company uses non-GAAP financial measures, including adjusted net income, adjusted earnings per diluted share, adjusted operating income, adjusted operating margin, net debt, free cash flow and Q1 2014 pro forma revenue and adjusted earnings per diluted share. These measures are intended to serve as a complement to results provided in accordance with accounting principles generally accepted in the United States. CIRCOR believes that such information provides an additional measurement and consistent historical comparison of the Company's performance. A reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures is available in the Company's fourth-quarter 2014 news release available on its website at [www.circor.com](http://www.circor.com).*

# Q4 and Full Year 2014 Financial Highlights

## YOY Change

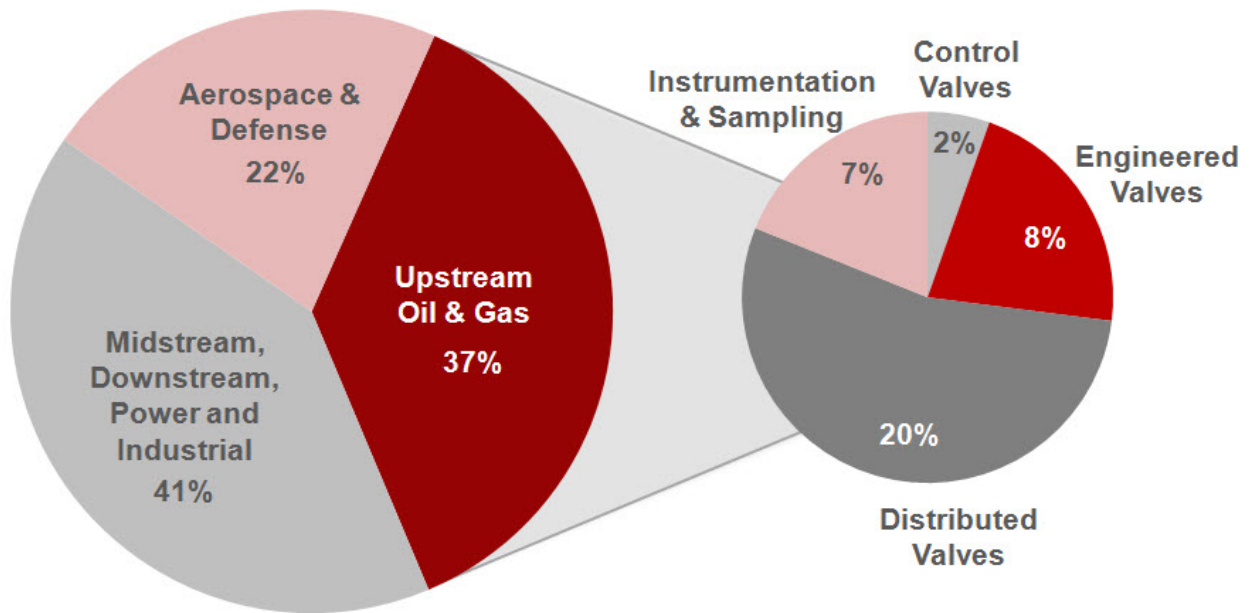
### Fourth-Quarter 2014

- Revenues of \$218.6 million +6% organically
- Adjusted Operating Margin of 9.6% -200 bps
- Adjusted EPS of \$1.08 +13 cents

### Full-Year 2014

- Revenues of \$841.4 million -1% organically
- Adjusted Operating Margin of 10.2% +30 bps
- Adjusted EPS of \$3.72 +51 cents

# 2014 Pro forma Revenue Distribution



Q4 2014  
Investor Review

Note: Excludes divestiture of two business units.



# Energy Segment Highlights

(\$US, in millions)

	Q4 2014	Q4 2013	YOY Change
Revenues	172.4	162.6	6%
Adjusted operating margin	14.3%	17.1%	-280 bps

- **Revenues increased 6% (+10% organically)**
  - NA short-cycle
  - Large international projects
  - Instrumentation and Sampling
- **Adjusted operating margin decreased 280 bps**
  - Higher productivity and restructuring savings
  - Favorable pricing
  - Includes \$6.5 charge for Brazilian customers



CIRCOR engineered valves for projects in Myanmar and Oman



# Aerospace & Defense Segment Highlights

(\$US, in millions)

	Q4 2014	Q4 2013	YOY Change
Revenues	46.1	51.4	(10%)
Adjusted operating margin	5.3%	8.4%	-310 bps

- **Revenues decreased 10% (-7% organically)**
  - Lower landing gear and industrial sales
  - Higher UK navy shipments
- **Adjusted operating margin decreased 310 bps**
  - Impact from structural landing gear product line exit
  - Lower margin from French businesses



Directional control valves for  
BAE Systems

# Q4 P&L Highlights

(\$US, in millions except per share data)

	Q4 2014	Q4 2013
Segments' <b>adjusted operating income</b> <sup>1</sup>	27.0	32.2
Special charges, net	12.2	5.2
Impairment charges, net	0.7	6.9
Restructuring inventory charges, net	-	0.6
Corporate expenses <sup>1</sup>	6.0	7.4
<b>Operating Income</b>	<b>8.2</b>	<b>12.1</b>
Net interest (expense)	(0.4)	(0.8)
Other income (expense)	0.7	(0.2)
Benefit (provision) for income taxes	0.7	(2.3)
<b>Net Income</b>	<b>9.2</b>	<b>8.8</b>
Tax Rate	(8.2%)	20.7%
Diluted shares ('000)	17,782	17,710
<b>US GAAP EPS</b>	<b>0.51</b>	<b>0.50</b>
<b>Adjusted EPS<sup>2</sup></b>	<b>1.08</b>	<b>0.95</b>

Q4 2014

Investor Review



<sup>1</sup>Excludes special and restructuring charges

<sup>2</sup>Excludes special and restructuring charges, net of tax

# Cash Flow and Debt Highlights

(\$US, in millions except per share data)

	<u>FY 2014</u>	<u>FY 2013</u>
Cash Flow from Operations	70.8	72.2
Capital Expenditures	<u>(12.8)</u>	<u>(17.3)</u>
Free Cash Flow	<u>58.0</u>	<u>54.9</u>
	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Total Debt	13.7	49.6
Cash, Cash Equivalents & ST Investments	121.4	102.3
Net Debt (Cash)	(107.7)	(52.6)
Debt to Equity	3%	10%

**Announced \$75 million share repurchase program**

Q4 2014  
Investor Review



Note: Net Debt is defined as Total Debt less cash, cash equivalents and short term investments.



# Pro forma Q1 2014

*(\$US, in millions except per share data)*

	Revenue	Adjusted EPS
<b>Q1 2014 Actuals</b>	<b>\$211.2</b>	<b>\$0.78</b>
<b>FX - Estimate</b>	<b>(12.0)</b>	<b>(0.10)</b>
<b>Divestitures</b>	<b>(13.0)</b>	<b>-</b>
<b>Q1 2014 Pro forma</b>	<b>\$186.2</b>	<b>\$0.68</b>

Notes:

1) FX assumes Q1 2014 foreign subsidiary amounts are converted to \$US at the following rates; Euro = \$1.14, GBP \$1.5

2) Divestitures reflects amounts associated with two divested business units

3) For a reconciliation of Q1 2014 Adjusted EPS to US GAAP earnings per diluted share, refer to the Company's fourth quarter 2014 earnings release

# Q1 2015 Guidance as of February 18, 2015

(\$US, in millions except per share data)

	Q1 2015	
	Low	High
<b>Revenue</b>	<b>\$155</b>	<b>\$170</b>
<b>Expected Adjusted Earnings Per Common Share (Diluted)</b>	<b>0.60</b>	<b>0.70</b>
Less:		
Restructuring related charges, net of tax	0.14	0.12
Special charges, net of tax		
<b>Expected Earnings Per Common Share (Diluted)</b>	<b>0.46</b>	<b>0.58</b>

# Appendix

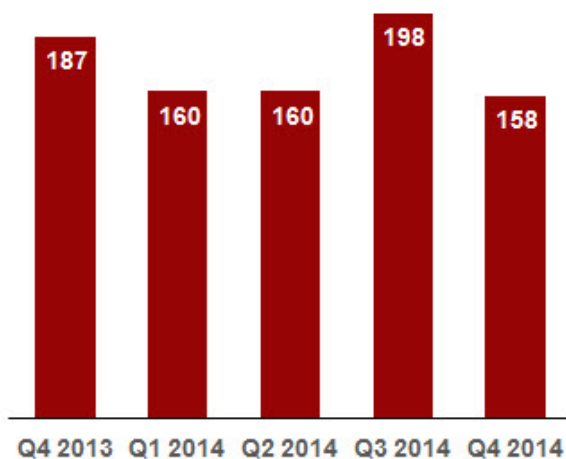
Q4 2014  
Investor Review



# Order Trends

*(\$US, in millions)*

## Energy



## Aerospace & Defense

