



Energy | Flow Technologies | Aerospace

***First Quarter 2013***

***Investor Review***

*Presented May 2, 2013*

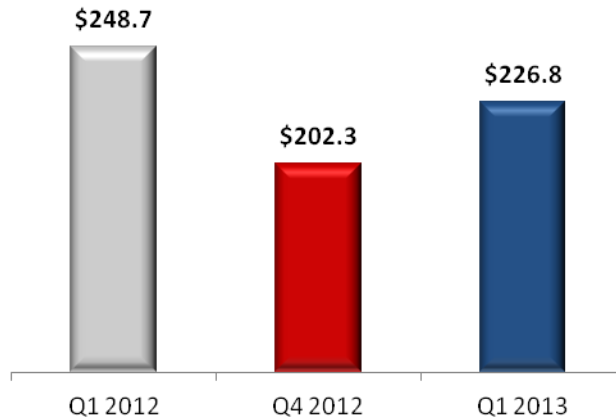
***This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties 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 second-quarter revenue and earnings guidance, as well as the savings anticipated to result from the repositioning 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 and free cash flow. 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 first-quarter 2013 news release available on its website at [www.circor.com](http://www.circor.com).***

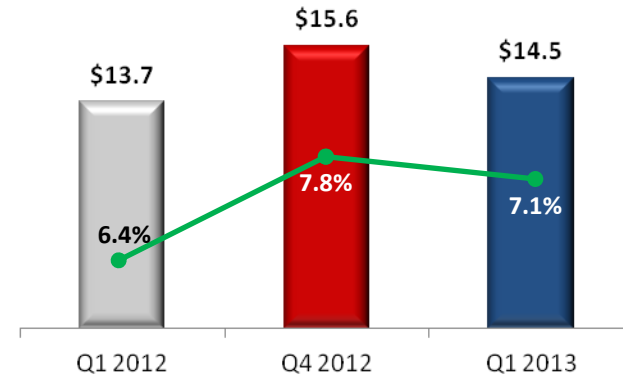
# Consolidated Q1 2013 Financial Results



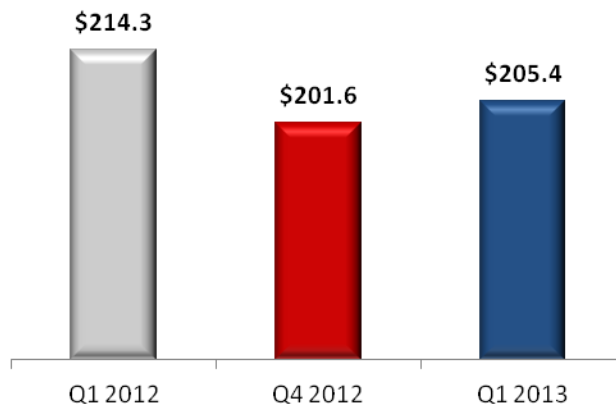
Orders (\$US Millions)



Adjusted Operating Income<sup>1</sup> & AOI Margin<sup>1</sup> (\$US Millions)



Net Revenues (\$US Millions)



GAAP & Adjusted EPS<sup>1</sup>



■ GAAP ■ Adjusted

<sup>1</sup> Adjusted Operating Income, AOI Margin and Adjusted EPS exclude Leslie asbestos and bankruptcy charges, and repositioning related inventory, impairment and special charges

# Q1 2013 Special & Repositioning Related Charges



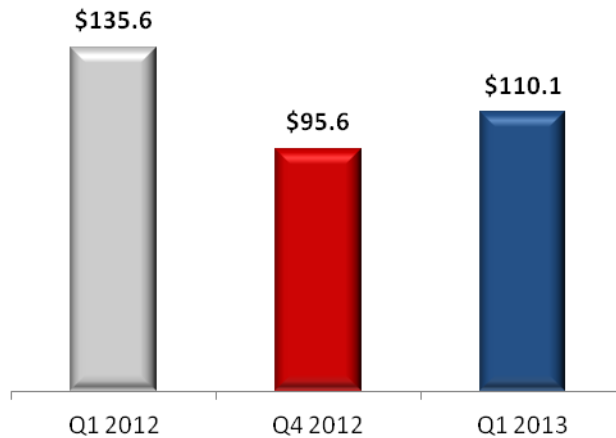
*(USD, In Millions)*

<b>Segment</b>	<b>Total Charges</b>	<b>Repositioning Inventory</b>	<b>Special Charges</b>
Energy (Repositioning)	\$0.6	\$0.2	\$0.4
Flow Technologies (Repositioning)	0.1	-	0.1
Aerospace (Repositioning)	0.9		0.9
<b>Total</b>	<b>\$1.6</b>	<b>\$0.2</b>	<b>\$1.4</b>

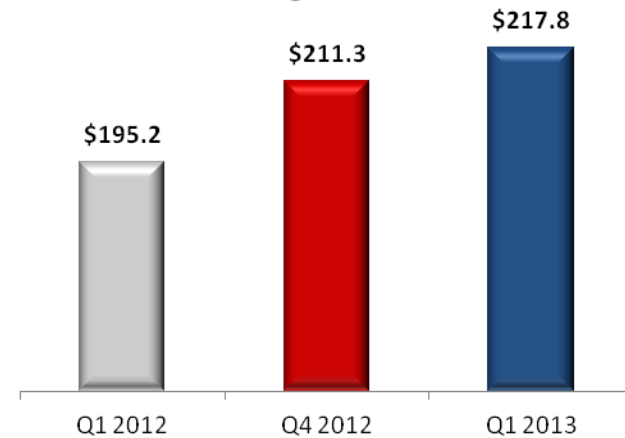
# Energy Segment



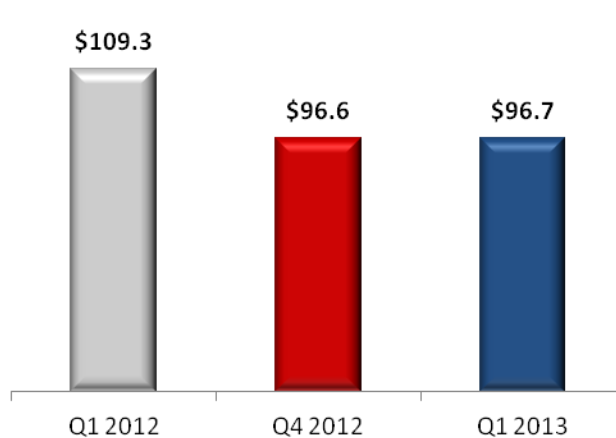
### Orders (\$US Millions)



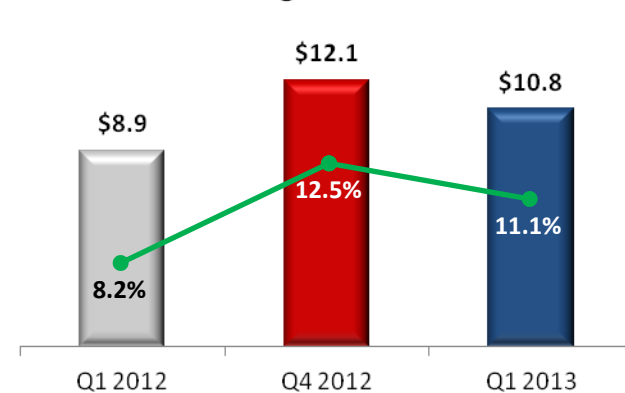
### Backlog (\$US Millions)



### Revenues (\$US Millions)



### Adjusted Operating Income<sup>1</sup> & AOI Margin<sup>1</sup> (\$US Millions)

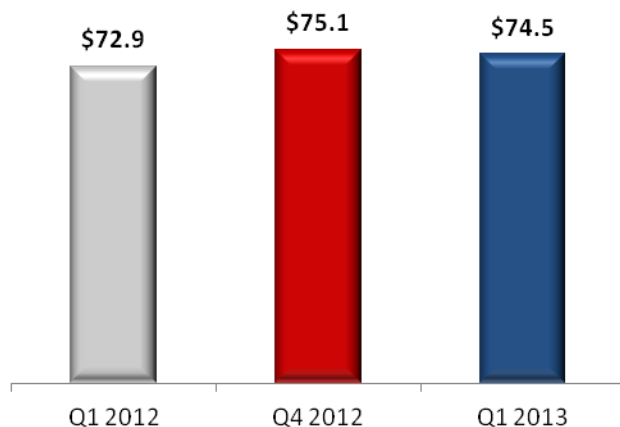


<sup>1</sup> Adjusted Operating Income and AOI Margin exclude repositioning related inventory, impairment and special charges

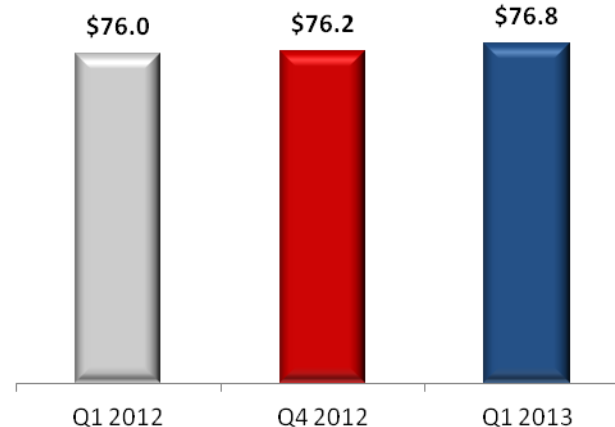
# Flow Technologies Segment



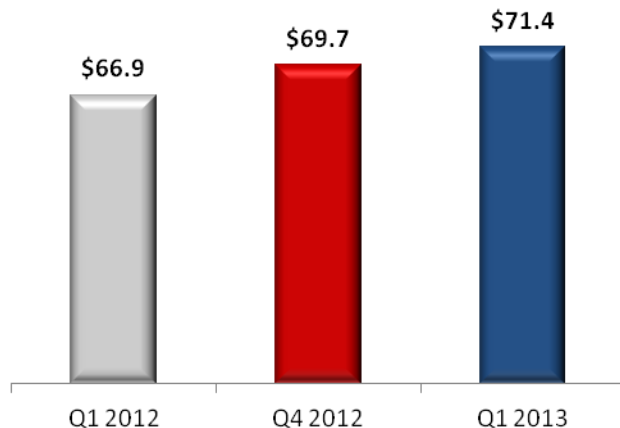
### Orders (\$US Millions)



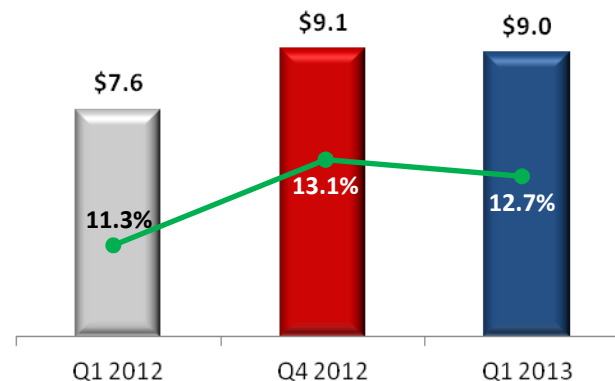
### Backlog (\$US Millions)



### Revenues (\$US Millions)



### Adjusted Operating Income<sup>1</sup> & AOI Margin<sup>1</sup> (\$US Millions)

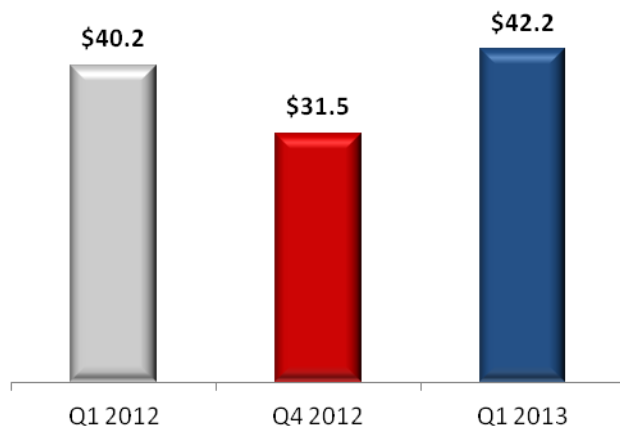


<sup>1</sup> Adjusted Operating Income and AOI Margin exclude Leslie asbestos and bankruptcy charges, as well as special charges

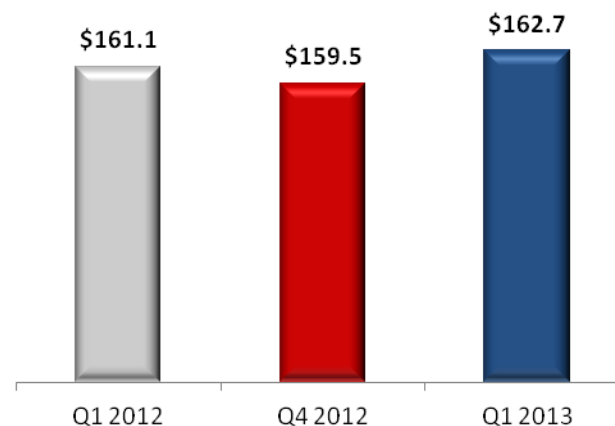
# Aerospace Segment



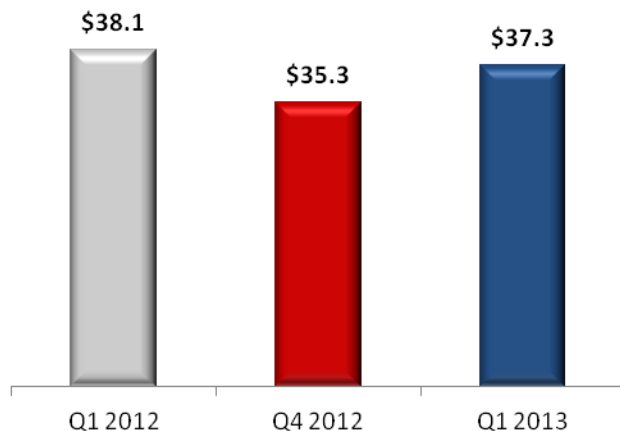
### Orders (\$US Millions)



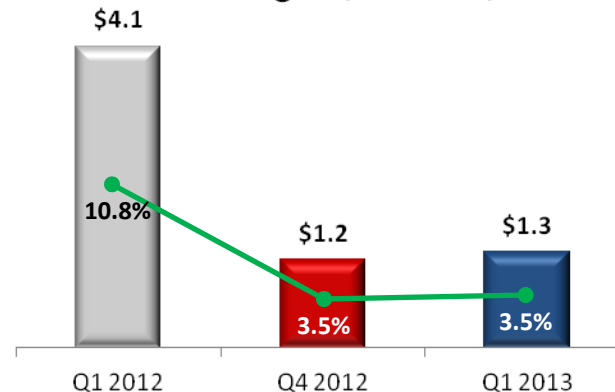
### Backlog (\$US Millions)



### Revenues (\$US Millions)



### Adjusted Operating Income<sup>1</sup> & AOI Margin<sup>1</sup> (\$US Millions)



<sup>1</sup> Adjusted Operating Income and AOI Margin exclude repositioning related inventory, impairment and special charges

# Net Income



*(USD, In Millions except share and per share data)*

	Q1 2012	Q4 2012	Q1 2013
<sup>1</sup> Segments' adjusted operating income	\$20.6	\$22.4	\$21.1
Repositioning inventory charges	-	0.0	0.2
Impairment charges	-	-	-
Special charges	-	3.9	1.4
Corporate expenses	(6.9)	(6.8)	(6.6)
<b>Operating Income</b>	<b>13.7</b>	<b>11.7</b>	<b>12.9</b>
Net interest	(1.1)	(1.0)	(0.8)
Other (expense) income i.e. FX	(0.1)	0.4	(0.6)
Income tax (provision) benefit	(3.9)	(1.8)	(3.6)
<b>Net Income</b>	<b>\$8.6</b>	<b>\$9.2</b>	<b>\$7.9</b>
Tax Rate	31.2%	16.5%	31.2%
Diluted shares	17,390	17,499	17,529
EPS	\$0.49	\$0.53	\$0.45
<sup>2</sup> <b>Adjusted EPS</b>	<b>\$0.49</b>	<b>\$0.69</b>	<b>\$0.52</b>

<sup>1</sup>Adjusted operating income = Operating income excluding Leslie asbestos and bankruptcy charges, repositioning related inventory, impairment and special charges

<sup>2</sup>Adjusted EPS = Diluted EPS excluding the impact of Leslie asbestos and bankruptcy charges, repositioning related inventory, impairment and special charges, net of tax



# Free Cash Flow & Net Debt



<i>USD, In Millions</i>	<u>Q1 2012</u>	<u>Q4 2012</u>	<u>Q1 2013</u>
Cash Flow from Operations	<u>(\$3.0)</u>	<u>\$29.7</u>	<u>\$5.8</u>
Capital Expenditures	<u>(4.1)</u>	<u>(4.1)</u>	<u>(4.7)</u>
<sup>1</sup> Free Cash Flow	<u>(\$7.1)</u>	<u>\$25.6</u>	<u>\$1.1</u>
Total Debt	\$98.7	\$70.5	\$66.5
Cash, Cash Equivalents & ST Investments	\$41.4	\$61.8	\$57.7
<sup>2</sup> Net Debt	\$57.3	\$8.6	\$8.8
Debt to Equity	25%	17%	16%

<sup>1</sup> Free cash flow defined as net cash from operating activities less capital expenditures

<sup>2</sup> Net Debt defined as Total Debt less cash & cash equivalents, less investments

# Market Assumptions



## ENERGY

- ❖ North America Energy Short-Cycle
  - Flat market
  - Rig counts flat in US and down in Canada
  - Late quarter recovery in gas prices
  - Continued inventory consolidation in distribution channel
- ❖ Large International Energy Projects
  - Strong offshore project activity
  - Delayed project finalization
  - Improved quote activity in Middle East
- ❖ Pipeline Equipment & Services
  - Market up in North America
  - Markets flat internationally
  - Continued shift to liquids in North America

## AEROSPACE

- ❖ Commercial Aerospace
  - Strong OEM production at Boeing and Airbus
  - Aftermarket headwinds
  - Business jet remains flat
- ❖ Military Aerospace
  - Uncertainty related to defense budgets
  - CIRCOR Aerospace well positioned through 2013
  - Headwind on Military spares

## FLOW TECHNOLOGIES

- ❖ Oil & Gas
  - Strength in off-shore platforms,
  - Expect growth opportunities
- ❖ Power Generation
  - Long-term outlook is positive
  - MRO opportunities related to upgrades in North America
- ❖ Industrial & Process
  - Moderate growth in base industrials in US; uncertainty in Europe; growth opportunities in China
  - LED equipment market remains weak
- ❖ Chemical & Refining
  - Demand environment is mixed
- ❖ Navy
  - Limited visibility
  - Uncertainty related to defense budgets
- ❖ HVAC/Steam
  - Project and MRO market steady
  - Seeing some recovery in new construction activity

# Guidance as of May 2, 2013



## Q2 2013

	Low	High
<b>Revenue (in millions)</b>	<b>\$214</b>	<b>\$220</b>
<b>Expected Adjusted Earnings Per Common Share (Diluted) [EPS Excluding Repositioning Related Inventory, Impairment and Special charges, Net of Tax]*</b>	<b>\$0.64</b>	<b>\$0.70</b>
Less:		
Inventory charges		
Impairment charges		
Special charges		
	(\$0.19)	(\$0.17)
<b>Expected Earnings Per Common Share (Diluted)</b>	<b>\$0.45</b>	<b>\$0.53</b>

\*Assumes 31% tax rate

\*Assumes exchange rates at present levels



**Q & A Session**  
**First Quarter Results**