

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 31, 2013

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

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)

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 October 31, 2013, the Company announced its financial results for the three months ended September 29, 2013. 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 Form 8-K and the Exhibit 99.1 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, and adjusted earnings per share (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), and adjusted EPS (defined as earnings per common share, excluding restructuring related inventory, impairment and special charges, net of tax) 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. Free cash flow, EBIT, EBITDA, adjusted operating income, and adjusted 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, and adjusted 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, 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.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Press Release regarding Earnings, Dated October 31, 2013 |

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: October 31, 2013

CIRCOR INTERNATIONAL, INC.

 /s/ Frederic M. Burditt
By: Frederic M. Burditt
Title: Vice President and Chief Financial Officer

CIRCOR Reports Third-Quarter 2013 Financial Results

Burlington, MA - October 31, 2013 - CIRCOR International, Inc. (NYSE: CIR), a leading provider of valves and other highly engineered products for markets including oil & gas, power generation and aerospace, today announced financial results for the quarter ended September 29, 2013.

Third Quarter 2013 Highlights

- *Adjusted operating margin increased 230 basis points to 11.1%*
- *Adjusted EPS grew 22% to \$0.93*
- *Revenue growth was 2%*
- *Free Cash Flow was \$30 million; YTD free cash flow at 105% of net income*
- *Flow Technologies segment reported record bookings, up 22% year-over-year*
- *Restructuring initiatives to simplify CIRCOR on schedule*
- *Announcing next step of the CIRCOR simplification process*

Management Comments

“Q3 was a strong quarter resulting from our ongoing focus on growth, margin expansion, and cash generation,” said Scott Buckhout, CIRCOR’s President and Chief Executive Officer. “We delivered another quarter of double-digit adjusted operating margin, up 230 basis points from last year. On the growth side, Flow Technologies had a record quarter on orders as we benefited from robust downstream oil & gas activity and penetration into new markets and applications.

“Free cash flow was strong in the quarter as a result of improved margins and working capital performance. Year-to-date free cash flow exceeded net income.

“The restructuring actions we announced last quarter are on schedule and expected to deliver the projected annual savings of approximately \$4 million beginning in 2014.

“In addition, we recently updated our 5-year strategic plan. Based on that work we are changing our organizational structure to simplify the way we manage CIRCOR and, over time, better align our businesses with end markets. As part of the organizational change, we will consolidate our group structure from three groups to two. Initially, these changes are focused on reducing management layers and combining back-office operations. Our commercial organization will remain unchanged. We expect to complete this reorganization in the fourth quarter of 2013 and anticipate a reduction in our annual expenses of approximately \$5.0 million.

“Finally, we intend to move to two reporting segments during the fourth quarter consistent with the new management structure at CIRCOR. The first segment will be ‘Energy,’ which will include all of the businesses from the existing Energy segment and a majority of the current ‘Flow Technologies’ businesses. The primary markets served in the new Energy segment are oil & gas: upstream, midstream and downstream; as well as the global power market. The second segment will be ‘Aerospace and Defense,’ which will include all of the current Aerospace segment businesses plus a few primarily defense-oriented businesses currently in the Flow Technologies segment.

“In conjunction with these changes, Wayne Robbins will transition from his role as Executive Vice President & COO to Executive Vice President and Group President of the new CIRCOR Energy group. Michael Dill, the current Group Vice President of CIRCOR Aerospace, shall continue as Group Vice President of CIRCOR Aerospace and Defense,” concluded Buckhout.

Consolidated Results

Revenues for the third quarter of 2013 increased 2% to \$214.7 million, from \$209.8 million in the third quarter of 2012. Adjusted earnings per diluted share in the third quarter of 2013, excluding the impact of the special charges, was \$0.93, a 22% increase compared with \$0.76 in the prior year’s third-quarter. Net income for the third quarter of 2013, including the impact of special charges/(recoveries) of (\$0.2) million, was \$17.7 million, or \$1.00 per diluted share, compared with net income of \$1.9 million, or \$0.11 per diluted share, for the third quarter of 2012, which included special and impairment charges of \$11.7 million.

The Company received orders totaling \$223.3 million during the third quarter of 2013, a decrease of 1% compared with the third quarter of 2012, due primarily to lower Energy orders in the international project business, which were mostly offset by strong Flow Technologies and Aerospace orders. Backlog as of September 30, 2013 increased 1% to \$446.9 million from September 29, 2012.

During the third quarter of 2013, the Company generated \$29.6 million of free cash flow, up \$10.8 million from the same period in 2012. Free cash flow for the first nine months of 2013 was \$40.2 million, up \$23.4 million from the same period in 2012.

Fourth-Quarter Guidance

For the fourth quarter of 2013, the Company expects revenues to be in the range of \$222 to \$228 million. In addition, CIRCOR expects restructuring related-charges of approximately \$5.3 to \$6.0 million. Excluding these charges, adjusted earnings are expected to be in the range of \$0.88 to \$0.95 per diluted share in the fourth quarter of 2013.

Segment Results

Energy

Energy segment revenues decreased 1% to \$108.5 million for the third quarter versus the same period in 2012.

The Energy segment’s adjusted operating margin increased 310 basis points to 17.1% year over year.

Incoming orders for the third quarter of 2013 were \$101.0 million, a decrease of 14% year over year, mostly as a result of lower large international project bookings. CIRCOR continues to see high levels of quoting activity on new projects; however some projects are delayed. Ending backlog totaled \$208.5 million, a decrease of 1% year over year.

Flow Technologies

Flow Technologies segment revenues increased 3% to \$69.8 million for the third quarter of 2013.

Flow Technologies adjusted operating margin for the third quarter of 2013 increased 50 basis points to 13.6%.

Incoming orders for the Flow Technologies segment were \$78.5 million for the third quarter of 2013, an increase of 22% year over year. Ending backlog totaled \$77.4 million, an increase of 9% compared with the same period last year.

Aerospace

Aerospace segment revenues increased 15% to \$36.5 million for the third quarter of 2013.

Aerospace segment adjusted operating margin for the third quarter of 2013 increased 710 basis points to 11.3% from 4.2% in the third quarter of 2012.

Incoming orders for the third quarter of 2013 were \$43.8 million, an increase of 2% year over year. Ending backlog totaled \$161.0 million, a decrease of 1% year over year.

Conference Call Information

CIRCOR International will hold a conference call to review its financial results today, October 31, 2013, 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. Free cash flow is defined as net cash from operating activities less capital expenditures. 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 fourth-quarter revenue and earnings guidance and 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 valves and other highly engineered products for markets including energy, oil & gas, power generation and aerospace. With more than 7,500 customers in over 100 countries, CIRCOR has a diversified product portfolio with recognized, market-leading brands. CIRCOR's culture, built on the CIRCOR Business System, is defined by the Company's commitment to attracting, developing and retaining the best talent and pursuing continuous improvement in all aspects of its business and operations. The Company's strategy includes growing organically by investing in new, differentiated products; adding value to component products; and increasing the development of mission-critical subsystems and solutions. CIRCOR also plans to leverage its strong balance sheet to acquire strategically complementary businesses. For more information, visit the Company's investor relations web site at <http://investors.circor.com>.

Contact:

Frederic M. Burditt
Chief Financial Officer
CIRCOR International
(781) 270-1200

CIRCOR INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, except per share data)
(UNAUDITED)

| | Three Months Ended | | Nine Months Ended | |
|---|--------------------|--------------------|--------------------|--------------------|
| | September 29, 2013 | September 30, 2012 | September 29, 2013 | September 30, 2012 |
| Net revenues | \$ 214,731 | \$ 209,804 | \$ 643,773 | \$ 643,946 |
| Cost of revenues | 144,593 | 151,109 | 443,679 | 462,823 |
| GROSS PROFIT | 70,138 | 58,695 | 200,094 | 181,123 |
| Selling, general and administrative expenses | 46,392 | 44,314 | 139,561 | 134,562 |
| Impairment charges | — | 10,348 | — | 10,348 |
| Special charges / (recoveries) | (190) | 1,377 | 3,441 | 1,377 |
| OPERATING INCOME | 23,936 | 2,656 | 57,092 | 34,836 |
| Other (income) expense: | | | | |
| Interest income | (67) | (101) | (189) | (262) |
| Interest expense | 812 | 1,223 | 2,559 | 3,482 |
| Other expense, net | 568 | 564 | 1,807 | 887 |
| TOTAL OTHER EXPENSE | 1,313 | 1,686 | 4,177 | 4,107 |
| INCOME BEFORE INCOME TAXES | 22,623 | 970 | 52,915 | 30,729 |
| Provision (benefit) for income taxes | 4,903 | (899) | 14,619 | 9,138 |
| NET INCOME | \$ 17,720 | \$ 1,869 | \$ 38,296 | \$ 21,591 |
| Earnings per common share: | | | | |
| Basic | \$ 1.01 | \$ 0.11 | \$ 2.18 | \$ 1.24 |
| Diluted | \$ 1.00 | \$ 0.11 | \$ 2.18 | \$ 1.24 |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 17,582 | 17,433 | 17,553 | 17,391 |
| Diluted | 17,667 | 17,467 | 17,602 | 17,436 |

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

| | Nine Months Ended | |
|---|--------------------|--------------------|
| | September 29, 2013 | September 30, 2012 |
| OPERATING ACTIVITIES | | |
| Net income | \$ 38,296 | \$ 21,591 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 11,943 | 11,765 |
| Amortization | 2,273 | 2,823 |
| Payment for Leslie bankruptcy settlement | — | (1,000) |
| Impairment charges | — | 10,348 |
| Compensation expense of share-based plans | 3,343 | 3,409 |
| Tax effect of share-based compensation | (536) | 573 |
| (Gain) loss on property, plant and equipment | (70) | 1,148 |
| Gain on return of acquisition purchase price | (3,400) | — |
| Changes in operating assets and liabilities, net of effects from business acquisitions: | | |
| Trade accounts receivable | 493 | (123) |
| Inventories | (33) | 8,586 |
| Prepaid expenses and other assets | 193 | (2,110) |
| Accounts payable, accrued expenses and other liabilities | 1,259 | (26,178) |
| Net cash provided by operating activities | 53,761 | 30,832 |
| INVESTING ACTIVITIES | | |
| Additions to property, plant and equipment | (13,579) | (14,097) |
| Proceeds from the sale of property, plant and equipment | 348 | 200 |
| Business acquisitions, return of purchase price | 3,400 | — |
| Net cash used in investing activities | (9,831) | (13,897) |
| FINANCING ACTIVITIES | | |
| Proceeds from long-term debt | 104,626 | 170,795 |
| Payments of long-term debt | (124,351) | (192,040) |
| Dividends paid | (2,011) | (1,997) |
| Proceeds from the exercise of stock options | 1,843 | 348 |
| Tax effect of share-based compensation | 536 | (573) |
| Net cash used in financing activities | (19,357) | (23,467) |
| Effect of exchange rate changes on cash and cash equivalents | (27) | 653 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 24,547 | (5,879) |
| Cash and cash equivalents at beginning of period | 61,738 | 54,855 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | \$ 86,285 | \$ 48,976 |

CIRCOR INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(UNAUDITED)

| | September 29, 2013 | December 31, 2012 |
|---|-----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 86,285 | \$ 61,738 |
| Short-term investments | 98 | 101 |
| Trade accounts receivable, less allowance for doubtful accounts | 151,528 | 150,825 |
| Inventories | 198,454 | 198,005 |
| Prepaid expenses and other current assets | 18,185 | 16,510 |
| Deferred income tax asset | 15,601 | 15,505 |
| Assets held for sale | 480 | 542 |
| Total Current Assets | 470,631 | 443,226 |
| PROPERTY, PLANT AND EQUIPMENT, NET | 107,415 | 105,903 |
| OTHER ASSETS: | | |
| Goodwill | 76,066 | 77,428 |
| Intangibles, net | 42,728 | 45,157 |
| Deferred income tax asset | 22,600 | 30,064 |
| Other assets | 5,923 | 8,203 |
| TOTAL ASSETS | \$ 725,363 | \$ 709,981 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 78,112 | \$ 80,361 |
| Accrued expenses and other current liabilities | 59,674 | 67,235 |
| Accrued compensation and benefits | 30,575 | 26,540 |
| Income taxes payable | 2,610 | 393 |
| Notes payable and current portion of long-term debt | 6,667 | 7,755 |
| Total Current Liabilities | 177,638 | 182,284 |
| LONG-TERM DEBT, NET OF CURRENT PORTION | 43,250 | 62,729 |
| DEFERRED INCOME TAXES | 10,037 | 10,744 |
| OTHER NON-CURRENT LIABILITIES | 35,380 | 35,977 |
| CONTINGENCIES AND COMMITMENTS | | |
| SHAREHOLDERS' EQUITY: | | |
| Preferred stock, \$0.01 par value; 1,000,000 shares authorized; no shares issued and outstanding | — | — |
| Common stock, \$0.01 par value; 29,000,000 shares authorized; 17,590,312 and 17,445,687 shares issued and outstanding at September 29, 2013 and December 31, 2012, respectively | 176 | 174 |
| Additional paid-in capital | 267,562 | 262,744 |
| Retained earnings | 194,797 | 158,509 |
| Accumulated other comprehensive loss, net of taxes | (3,477) | (3,180) |
| Total Shareholders' Equity | 459,058 | 418,247 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 725,363 | \$ 709,981 |

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

| | Three Months Ended | | Nine Months Ended | |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 29, 2013 | September 30, 2012 | September 29, 2013 | September 30, 2012 |
| ORDERS (1) | | | | |
| Energy | \$ 101.0 | \$ 118.1 | \$ 318.4 | \$ 382.0 |
| Aerospace | 43.8 | 42.9 | 112.9 | 111.6 |
| Flow Technologies | 78.5 | 64.5 | 218.9 | 207.8 |
| Total orders | <u>\$ 223.3</u> | <u>\$ 225.5</u> | <u>\$ 650.2</u> | <u>\$ 701.4</u> |
| BACKLOG (2) | | | | |
| | September 29, 2013 | September 30, 2012 | | |
| Energy | \$ 208.5 | \$ 210.4 | | |
| Aerospace | 161.0 | 162.7 | | |
| Flow Technologies | 77.4 | 71.2 | | |
| Total backlog | <u>\$ 446.9</u> | <u>\$ 444.3</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 all unshipped customer orders.

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

| | 2012 | | | | | 2013 | | | |
|------------------------------------|------------|------------|------------|-----------|------------|-----------|------------|------------|------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | TOTAL |
| NET REVENUES | | | | | | | | | |
| Energy | \$ 109,264 | \$ 113,527 | \$ 109,968 | \$ 96,582 | \$ 429,341 | \$ 96,722 | \$ 110,832 | \$ 108,473 | \$ 316,027 |
| Aerospace | 38,085 | 35,896 | 31,795 | 35,316 | 141,092 | 37,326 | 38,177 | 36,483 | 111,986 |
| Flow Technologies | 66,931 | 70,439 | 68,041 | 69,707 | 275,119 | 71,350 | 74,635 | 69,775 | 215,760 |
| Total | 214,280 | 219,862 | 209,804 | 201,605 | 845,552 | 205,398 | 223,644 | 214,731 | 643,773 |
| * ADJUSTED OPERATING MARGIN | | | | | | | | | |
| Energy | 8.2 % | 11.1 % | 14.0 % | 12.5 % | 11.4 % | 11.1 % | 13.8 % | 17.1 % | 14.1 % |
| Aerospace | 10.8 % | 8.8 % | 4.2 % | 3.5 % | 7.0 % | 3.5 % | 8.6 % | 11.3 % | 7.8 % |
| Flow Technologies | 11.3 % | 12.8 % | 13.1 % | 13.1 % | 12.6 % | 12.7 % | 14.8 % | 13.6 % | 13.7 % |
| Segment operating margin | 9.6 % | 11.3 % | 12.2 % | 11.1 % | 11.1 % | 10.3 % | 13.2 % | 15.0 % | 12.9 % |
| Corporate expenses | (3.2)% | (2.9)% | (3.4)% | (3.4)% | (3.2)% | (3.2)% | (3.3)% | (3.9)% | (3.5)% |
| * Adjusted operating margin | 6.4 % | 8.4 % | 8.8 % | 7.8 % | 7.8 % | 7.1 % | 10.0 % | 11.1 % | 9.4 % |
| Restructuring inventory charges | 0.0 % | 0.0 % | 2.0 % | 0.0 % | 0.5 % | 0.1 % | (0.1)% | 0.0 % | 0.0 % |
| Impairment charges | 0.0 % | 0.0 % | 4.9 % | 0.0 % | 1.2 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Special (Recoveries) | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | (1.5)% | (0.5)% |
| Special charges | 0.0 % | 0.0 % | 0.7 % | 1.9 % | 0.6 % | 0.7 % | 1.0 % | 1.4 % | 1.0 % |
| Total operating margin | 6.4 % | 8.4 % | 1.3 % | 5.8 % | 5.5 % | 6.3 % | 9.1 % | 11.1 % | 8.9 % |

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

| | 2012 | | | | | 2013 | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | TOTAL |
| * ADJUSTED OPERATING INCOME | | | | | | | | | |
| Energy | 8,928 | 12,580 | 15,432 | 12,100 | 49,040 | 10,751 | 15,271 | 18,558 | 44,580 |
| Aerospace | 4,124 | 3,153 | 1,324 | 1,234 | 9,835 | 1,320 | 3,271 | 4,138 | 8,729 |
| Flow Technologies | 7,587 | 9,043 | 8,919 | 9,105 | 34,654 | 9,044 | 11,065 | 9,470 | 29,579 |
| Segment operating income | 20,639 | 24,776 | 25,675 | 22,439 | 93,529 | 21,115 | 29,607 | 32,166 | 82,888 |
| Corporate expenses | (6,939) | (6,297) | (7,170) | (6,802) | (27,207) | (6,588) | (7,339) | (8,420) | (22,346) |
| * Adjusted operating income | 13,700 | 18,479 | 18,505 | 15,637 | 66,322 | 14,528 | 22,268 | 23,746 | 60,542 |
| Restructuring inventory charges | — | — | 4,124 | 37 | 4,161 | 250 | (242) | — | 8 |
| Impairment charges | — | — | 10,348 | — | 10,348 | — | — | — | — |
| Special (Recoveries) | — | — | — | — | — | — | — | (3,151) | (3,151) |
| Special charges / (recoveries) | — | — | 1,377 | 3,905 | 5,282 | 1,378 | 2,254 | 2,961 | 6,592 |
| Total operating income | 13,700 | 18,479 | 2,656 | 11,695 | 46,531 | 12,900 | 20,256 | 23,936 | 57,093 |
| INTEREST EXPENSE, NET | (1,081) | (1,017) | (1,122) | (1,038) | (4,258) | (787) | (838) | (745) | (2,370) |
| OTHER EXPENSE, NET | (138) | (184) | (564) | 373 | (514) | (612) | (626) | (568) | (1,807) |
| PRETAX INCOME | 12,481 | 17,278 | 970 | 11,030 | 41,759 | 11,501 | 18,792 | 22,623 | 52,915 |
| (PROVISION) BENEFIT FOR INCOME TAXES | (3,896) | (6,142) | 899 | (1,822) | (10,960) | (3,592) | (6,124) | (4,903) | (14,618) |
| EFFECTIVE TAX RATE | 31.2 % | 35.5 % | (92.8)% | 16.5 % | 26.2 % | 31.2 % | 32.6 % | 21.7 % | 27.6 % |
| NET INCOME | \$ 8,585 | \$ 11,136 | \$ 1,869 | \$ 9,208 | \$ 30,799 | \$ 7,908 | \$ 12,668 | \$ 17,720 | \$ 38,296 |
| Weighted Average Common Shares Outstanding (Diluted) | 17,390 | 17,451 | 17,467 | 17,499 | 17,452 | 17,529 | 17,607 | 17,667 | 17,602 |
| EARNINGS PER COMMON SHARE (Diluted) | \$ 0.49 | \$ 0.64 | \$ 0.11 | \$ 0.53 | \$ 1.76 | \$ 0.45 | \$ 0.72 | \$ 1.00 | \$ 2.17 |
| ADJUSTED EBITDA | \$ 18,534 | \$ 23,043 | \$ 22,809 | \$ 16,808 | \$ 81,194 | \$ 18,682 | \$ 26,419 | \$ 27,850 | \$ 72,949 |
| ADJUSTED EBITDA AS A % OF SALES | 8.6 % | 10.5 % | 10.9 % | 8.3 % | 9.6 % | 9.1 % | 11.8 % | 13.0 % | 11.3 % |
| CAPITAL EXPENDITURES | \$ 4,122 | \$ 6,661 | \$ 3,314 | \$ 4,073 | \$ 18,170 | \$ 4,707 | \$ 4,100 | \$ 4,772 | \$ 13,579 |

* Adjusted Operating Income & Margin exclude inventory restructuring, impairment and special charges.

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

| | 2012 | | | | | 2013 | | | |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | TOTAL |
| FREE CASH FLOW [NET CASH FLOW FROM OPERATING ACTIVITIES LESS CAPITAL EXPENDITURES] | \$ (7,089) | \$ 5,077 | \$ 18,746 | \$ 25,619 | \$ 42,353 | \$ 1,100 | \$ 9,525 | \$ 29,557 | \$ 40,182 |
| ADD: | | | | | | | | | |
| Capital Expenditures | 4,122 | 6,661 | 3,314 | 4,073 | 18,170 | 4,707 | 4,100 | 4,772 | 13,579 |
| NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES | <u>\$ (2,967)</u> | <u>\$ 11,738</u> | <u>\$ 22,060</u> | <u>\$ 29,692</u> | <u>\$ 60,523</u> | <u>\$ 5,807</u> | <u>\$ 13,625</u> | <u>\$ 34,329</u> | <u>\$ 53,761</u> |
| NET DEBT / (CASH) [TOTAL DEBT LESS CASH & CASH EQUIVALENTS LESS INVESTMENTS] | \$ 57,263 | \$ 54,376 | \$ 34,706 | \$ 8,645 | \$ 8,645 | \$ 8,814 | \$ (1,376) | \$ (36,466) | \$ (36,466) |
| ADD: | | | | | | | | | |
| Cash & Cash Equivalents | 41,291 | 41,414 | 48,976 | 61,738 | 61,738 | 57,633 | 60,831 | 86,285 | 86,285 |
| Investments | 101 | 98 | 102 | 101 | 101 | 99 | 96 | 98 | 98 |
| TOTAL DEBT | <u>\$ 98,655</u> | <u>\$ 95,888</u> | <u>\$ 83,784</u> | <u>\$ 70,484</u> | <u>\$ 70,484</u> | <u>\$ 66,546</u> | <u>\$ 59,551</u> | <u>\$ 49,917</u> | <u>\$ 49,917</u> |
| DEBT AS % OF EQUITY | 25% | 24% | 20% | 17% | 17% | 16% | 14% | 11% | 11% |
| TOTAL DEBT | 98,655 | 95,888 | 83,784 | 70,484 | 70,484 | 66,546 | 59,551 | 49,917 | 49,917 |
| TOTAL SHAREHOLDERS' EQUITY | 399,018 | 397,957 | 409,016 | 418,247 | 418,247 | 418,819 | 432,151 | 459,058 | 459,058 |
| EBIT [NET INCOME LESS INCOME TAXES LESS INTEREST EXPENSE, NET] | \$ 13,562 | \$ 18,295 | \$ 2,092 | \$ 12,068 | \$ 46,017 | \$ 12,287 | \$ 19,630 | \$ 23,368 | \$ 55,284 |
| LESS: | | | | | | | | | |
| Interest expense, net | (1,081) | (1,017) | (1,122) | (1,038) | (4,258) | (787) | (838) | (745) | (2,370) |
| (Provision) benefit for income taxes | (3,896) | (6,142) | 899 | (1,822) | (10,960) | (3,592) | (6,124) | (4,903) | (14,618) |
| NET INCOME | <u>\$ 8,585</u> | <u>\$ 11,136</u> | <u>\$ 1,869</u> | <u>\$ 9,208</u> | <u>\$ 30,799</u> | <u>\$ 7,908</u> | <u>\$ 12,668</u> | <u>\$ 17,720</u> | <u>\$ 38,296</u> |

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

| | 2012 | | | | | 2013 | | | |
|---|-----------------|------------------|-----------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | TOTAL |
| ADJUSTED OPERATING INCOME [OPERATING INCOME EXCLUDING INVENTORY RESTRUCTURING, IMPAIRMENT AND SPECIAL CHARGES / (RECOVERIES)] | \$13,700 | \$ 18,479 | \$18,505 | \$ 15,600 | \$ 66,322 | \$14,528 | \$ 22,268 | \$ 23,746 | \$ 60,542 |
| LESS: | | | | | | | | | |
| Inventory restructuring charges | — | — | 4,124 | 37 | 4,161 | 250 | (242) | — | 8 |
| Impairment charges | — | — | 10,348 | — | 10,348 | — | — | — | — |
| Special (Recoveries) | — | — | — | — | — | — | — | (3,151) | (3,151) |
| Special charges | — | — | 1,377 | 3,905 | 5,282 | 1,378 | 2,254 | 2,961 | 6,592 |
| OPERATING INCOME | <u>\$13,700</u> | <u>\$18,479</u> | <u>\$2,656</u> | <u>\$11,695</u> | <u>\$46,531</u> | <u>\$12,900</u> | <u>\$ 20,256</u> | <u>\$ 23,936</u> | <u>\$ 57,093</u> |
| ADJUSTED NET INCOME [NET INCOME EXCLUDING INVENTORY RESTRUCTURING, IMPAIRMENT AND SPECIAL CHARGES / (RECOVERIES), NET OF TAX] | \$8,585 | \$11,136 | \$12,171 | \$11,770 | \$43,663 | \$9,043 | \$14,044 | \$16,439 | \$39,526 |
| LESS: | | | | | | | | | |
| Inventory restructuring charges, net of tax | — | — | 2,681 | 24 | 2,705 | 174 | (165) | — | 9 |
| Impairment charges, net of tax | — | — | 6,726 | — | 6,726 | — | — | — | — |
| Special (Recoveries), net of tax | — | — | — | — | — | — | — | (3,151) | (3,151) |
| Special charges, net of tax | — | — | 895 | 2,538 | 3,433 | 961 | 1,541 | 1,870 | 4,372 |
| NET INCOME | <u>\$8,585</u> | <u>\$11,136</u> | <u>\$1,869</u> | <u>\$9,208</u> | <u>\$30,799</u> | <u>\$7,908</u> | <u>\$12,668</u> | <u>\$17,720</u> | <u>\$38,296</u> |
| ADJUSTED EARNINGS PER SHARE [EPS EXCLUDING INVENTORY RESTRUCTURING, IMPAIRMENT AND SPECIAL CHARGES / (RECOVERIES), NET OF TAX] | \$0.49 | \$0.64 | \$ 0.76 | \$0.69 | \$ 2.59 | \$0.52 | \$ 0.81 | \$ 0.93 | \$ 2.26 |
| LESS: | | | | | | | | | |
| Inventory restructuring charges, net of tax | \$— | \$— | \$0.17 | \$— | \$0.17 | \$0.01 | \$ (0.01) | \$ — | \$ — |
| Impairment charges, net of tax | \$— | \$— | \$0.43 | \$— | \$0.43 | \$— | \$ — | \$ — | \$ — |
| Special (Recoveries), net of tax | \$— | \$— | \$— | \$— | \$— | \$— | \$ — | (0.18) | (0.18) |
| Special charges, net of tax | \$— | \$— | \$0.06 | \$0.16 | \$0.22 | \$0.06 | \$ 0.10 | \$ 0.11 | \$ 0.27 |
| EARNINGS PER COMMON SHARE (Diluted) | <u>\$0.49</u> | <u>\$0.64</u> | <u>\$0.11</u> | <u>\$0.53</u> | <u>\$1.76</u> | <u>\$0.45</u> | <u>\$ 0.72</u> | <u>\$ 1.00</u> | <u>\$ 2.17</u> |

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

| | 2012 | | | | | 2013 | | | |
|---|-----------------|-----------------|-----------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| | 1ST QTR | 2ND QTR | 3RD QTR | 4TH QTR | TOTAL | 1ST QTR | 2ND QTR | 3RD QTR | TOTAL |
| EBITDA [NET INCOME LESS NET INTEREST EXPENSE, DEPRECIATION, AMORTIZATION AND INCOME TAXES] | \$18,534 | \$23,043 | \$ 2,092 | \$ 12,068 | \$ 65,345 | \$17,054 | \$ 24,407 | \$ 23,368 | \$ 69,500 |
| LESS: | | | | | | | | | |
| Interest expense, net | (1,081) | (1,017) | (1,122) | (1,038) | (4,258) | (787) | (838) | (745) | (2,370) |
| Depreciation | (4,008) | (3,825) | (3,932) | (3,967) | (15,732) | (4,009) | (4,026) | (3,908) | (11,943) |
| Amortization | (964) | (923) | (936) | (773) | (3,596) | (758) | (751) | (764) | (2,273) |
| (Provision) benefit for income taxes | (3,896) | (6,142) | 899 | (1,822) | (10,960) | (3,592) | (6,124) | (4,903) | (14,618) |
| NET INCOME | \$8,585 | \$11,136 | \$1,869 | \$9,208 | \$30,799 | \$7,908 | \$ 12,668 | \$ 17,720 | \$ 38,296 |
| ADJUSTED EBITDA [NET INCOME EXCLUDING INVENTORY RESTRUCTURING, IMPAIRMENT AND SPECIAL CHARGES / (RECOVERIES), NET INTEREST EXPENSE, DEPRECIATION, AMORTIZATION AND INCOME TAXES] | \$18,534 | \$23,043 | \$22,809 | \$20,750 | \$ 85,136 | \$18,682 | \$ 26,419 | \$ 27,850 | \$ 72,949 |
| Inventory restructuring charges | \$— | \$— | \$(4,124) | \$(37) | \$(4,161) | \$(250) | \$ 242 | \$ — | \$ (8) |
| Impairment charges | \$— | \$— | \$(10,348) | \$— | \$(10,348) | \$— | \$ — | \$ — | \$ — |
| Special Recoveries | \$— | \$— | \$— | \$— | \$— | \$— | \$ — | \$ 3,151 | \$ 3,151 |
| Special charges | \$— | \$— | \$(1,377) | \$(3,905) | \$(5,282) | \$(1,378) | \$ (2,254) | \$ (2,961) | \$ (6,592) |
| Interest expense, net | \$(1,081) | \$(1,017) | \$(1,122) | \$(1,038) | \$(4,258) | \$(787) | \$ (838) | \$ (745) | \$ (2,370) |
| Depreciation | \$(4,008) | \$(3,825) | \$(3,932) | \$(3,967) | \$(15,732) | \$(4,009) | \$ (4,026) | \$ (3,908) | \$(11,943) |
| Amortization | \$(964) | \$(923) | \$(936) | \$(773) | \$(3,596) | \$(758) | \$ (751) | \$ (764) | \$ (2,273) |
| (Provision) / benefit for income taxes | \$(3,896) | \$(6,142) | \$899 | \$(1,822) | \$(10,960) | \$(3,592) | \$ (6,124) | \$ (4,903) | \$(14,618) |
| NET INCOME | \$8,585 | \$11,136 | \$1,869 | \$9,208 | \$30,799 | \$7,908 | \$ 12,668 | \$ 17,720 | \$ 38,296 |

CIRCOR INTERNATIONAL, INC.
RECONCILIATION OF FUTURE PERFORMANCE MEASURES TO COMMONLY
USED GENERALLY ACCEPTED ACCOUNTING PRINCIPLE TERMS
UNAUDITED

| | | 4th Quarter 2013 | |
|---|---|------------------|----------------|
| | | Low | High |
| EXPECTED ADJUSTED EARNINGS PER SHARE [EPS EXCLUDING INVENTORY RESTRUCTURING, IMPAIRMENT AND SPECIAL CHARGES, NET OF TAX] | | \$ 0.88 | \$ 0.95 |
| LESS: RESTRUCTURING RELATED CHARGES | | | |
| Inventory restructuring charges, net of tax | } | | |
| Impairment charges, net of tax | | \$ (0.22) | \$ (0.19) |
| Special charges, net of tax | | | |
| EXPECTED EARNINGS PER COMMON SHARE (Diluted) | | <u>\$ 0.66</u> | <u>\$ 0.76</u> |