



Energy | Aerospace & Defense

Third Quarter 2014 Investor Review

Presented October 31, 2014

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 fourth-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. 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 third-quarter 2014 news release available on its website at www.circor.com.

Q3 2014 Financial Highlights

Variance to Q3 2013

- Orders of \$242 million +9%
 - Record high for Energy Segment +18%
- Revenues of \$204 million (5%)
- Adjusted Operating Margin of 11.4% +30 bps
- Adjusted EPS of \$0.95 +2 cents

Energy Segment Highlights

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

	Q3 2014	Q3 2013	YOY Change
Revenues	157.7	167.7	(6%)
Adjusted operating margin	16.9%	15.2%	170 bps

- **Revenues decreased 6%**
 - Lower sales for large international projects
 - Higher volumes in NA short-cycle business
 - Instrumentation/Sampling volumes up
- **Adjusted operating margin increased 170 bps**
 - Improved margin in short-cycle business
 - Higher productivity and restructuring savings



Aeroflow[®] valves selected for a 750 megawatt project in Virginia

Aerospace & Defense Segment Highlights

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

	Q3 2014	Q3 2013	YOY Change
Revenues	46.2	47.1	(2%)
Adjusted operating margin	5.0%	12.1%	-710 bps

- **Revenues decreased 2%**
 - Lower landing gear sales
 - Higher actuation shipments
- **Adjusted operating margin decreased 710 bps**
 - Impact from structural landing gear product line exit
 - Costs to eliminate critical customer past due
 - Unfavorable mix on lower volume



Pneumatic power modules for the Predator/Reaper and P8 Poseidon

Note: AOI Margin excludes special and restructuring charges.

Q3 P&L Highlights

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

	Q3 2014	Q3 2013
Segments' adjusted operating income ¹	28.9	31.1
Special charges (recoveries), net	0.5	(0.2)
Restructuring inventory charges, net	2.9	-
Corporate expenses ^{1,2}	5.7	7.4
Operating Income	19.9	23.9
Net interest (expense)	(0.4)	(0.7)
Other (expense)	(0.4)	(0.6)
Income taxes	(4.3)	(4.9)
Net Income	14.7	17.7
Tax Rate	22.8%	21.7%
Diluted shares ('000)	17,779	17,667
US GAAP EPS	0.83	1.00
Adjusted EPS ³	0.95	0.93

Q3 2014
Investor Review

¹Excludes special and restructuring charges

²Includes corporate stock based compensation of \$1.3 million and \$0.9 million for Q3 2014 and Q3 2013, respectively

³Excludes special and restructuring charges, net of tax

Q3 2014 Special and Restructuring-Related Items

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

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Restructuring Charges	
Severance	0.5
Inventory Related	2.9
Total Restructuring Charges	3.3
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EPS Impact	(0.12)
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Total restructuring charges for the fourth quarter of 2014 are expected to be \$3.0 million to \$3.3 million

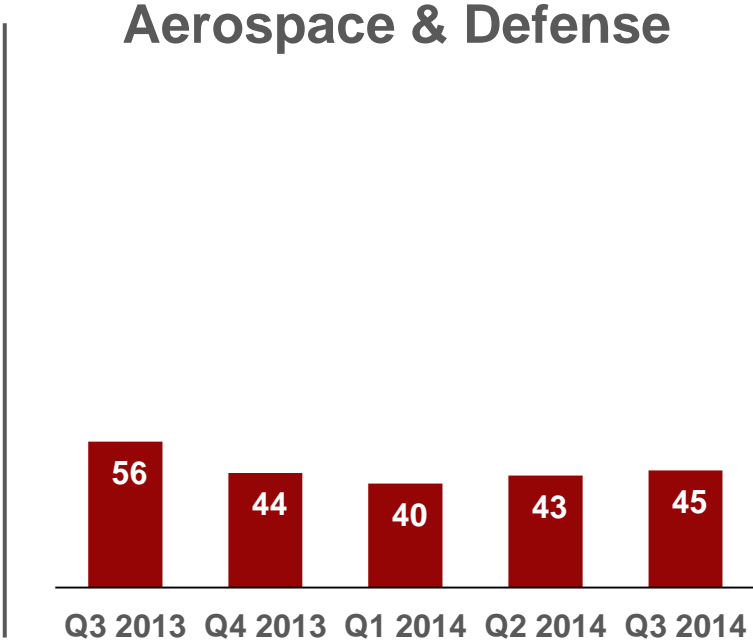
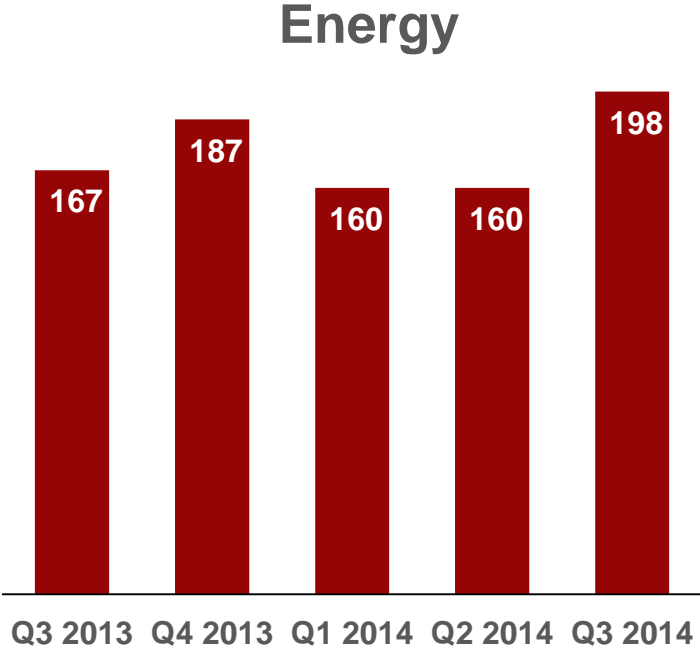
Cash Flow and Debt Highlights

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

Cash Flow from Operations	44.6	53.8
Capital Expenditures	<u>(8.9)</u>	<u>(13.6)</u>
Free Cash Flow	<u><u>35.7</u></u>	<u><u>40.2</u></u>
Total Debt	33.8	49.6
Cash, Cash Equivalents & ST Investments	114.7	86.4
Net Debt (Cash)	(80.8)	(36.5)
Debt to Equity	7%	11%

Order Trends

(\$US, in millions)



Q4 2014 Guidance as of October 31, 2014

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

	Q4 2014	
	Low	High
Revenue	\$210	\$225
Expected Adjusted Earnings Per Common Share (Diluted)	1.02	1.12
Less:		
Restructuring related charges, net of tax	0.12	0.11
Special charges, net of tax		
Expected Earnings Per Common Share (Diluted)	0.90	1.01