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**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): May 2, 2011**

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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)

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

**04-3477276**  
(IRS employer  
identification no.)

**25 CORPORATE DRIVE, SUITE 130  
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))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On May 2, 2011, Circor International, Inc. (the “Company”) entered into a Credit Agreement (the “Credit Agreement”), dated as of May 2, 2011, among the Company, as borrower, certain subsidiaries of the Company, as guarantors (the “Subsidiary Guarantors”), the lenders from time to time party thereto (the “Lenders”) and SunTrust Bank, as administrative agent, swing line lender and a letter of credit issuer. The Credit Agreement provides for a \$300 million revolving line of credit as well as an option to increase the revolving line of credit by \$150 million if certain conditions in the Credit Agreement are satisfied (the “Line of Credit”). The Line of Credit may be used to borrow revolving loans or, subject to certain limitations, to issue letters of credit on the Company’s behalf. The Line of Credit expires on the earlier of May 2, 2016 or the date on which it is terminated by the Company or the Lenders in accordance with the Credit Agreement, on which date all amounts outstanding under the Credit Agreement will be due. The Company may repay any borrowings under the Credit Agreement at any time, subject to certain restrictions stated in the Credit Agreement.

The Company’s previous revolving credit facility was governed by a Credit Agreement, dated as of July 29, 2009 (the “Prior Credit Agreement”), among the Company, as borrower, certain subsidiaries of the Company, as guarantors (the “Subsidiary Guarantors”), the lenders from time to time party thereto (the “Lenders”) and Keybank National Association, as joint-lead arranger, co-bookrunner and administrative agent, swing line lender and a letter of credit issuer. The Prior Credit Agreement, under which the Company had approximately \$98 million outstanding, was terminated, as of May 2, 2011, and replaced by the Credit Agreement. As of the date of this current report, there was approximately \$96 million outstanding under the Line of Credit. In addition, there were approximately \$3.0 million of outstanding letters of credit issued under the Prior Credit Agreement, which shall automatically be deemed to constitute and continue as letters of credit issued under the Credit Agreement.

The borrowings under the Line of Credit bear interest and fees as set forth in the Credit Agreement. Under the Credit Agreement, the Company must comply with various financial and non-financial covenants. The financial covenants include a minimum interest coverage ratio and a maximum leverage ratio. The primary non-financial covenants include, but are not limited to, restrictions on the Company’s ability to conduct certain mergers or acquisitions, sell certain assets, incur certain future indebtedness or liens and make certain investments or loans. The Credit Agreement also includes events of default, including, without limitation, payment defaults, representation or warranty inaccuracies, covenant violations, cross-defaults to other agreements evidencing indebtedness for borrowed money, invalidity of certain loan documents relating to the Credit Agreement, certain judgments, bankruptcy and insolvency events and the occurrence of events constituting a change of control. The Lenders are entitled to accelerate repayment of the loans under the Credit Agreement upon the occurrence of any events of default under the Credit Agreement.

Each Subsidiary Guarantor absolutely and unconditionally guarantees all of the obligations under the Credit Agreement. Under certain circumstances, the Company and the Subsidiary Guarantors must pledge certain equity interests in the Subsidiary Guarantors.

**Item 1.02 Termination of a Material Definitive Agreement.**

See the disclosure under Item 1.01 above, which is incorporated herein by reference.

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

By press release dated May 5, 2011, the Company announced its financial results for the three months ended April 3, 2011. 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 and dividends paid) 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 Leslie asbestos and bankruptcy charges), and adjusted EPS (defined as earnings per common share, excluding Leslie asbestos and bankruptcy 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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

See the disclosure under Item 1.01 above, which is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release regarding Earnings, Dated May 5, 2011

**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: May 5, 2011

**CIRCOR INTERNATIONAL, INC.**

/s/ Frederic M. Burditt

By: Frederic M. Burditt

Title: Vice President, Chief Financial Officer and Treasurer

## PRESS RELEASE

**CIRCOR Reports 39% Revenue Growth for First Quarter of 2011**

- *Adjusted Earnings Per Share Grew by 58%*
- *Total Orders Increase by 30% Year-Over-Year, Energy Up 72%*
- *Leslie Subsidiary Emerges from Bankruptcy*
- *Company Enters into New Credit Agreement for \$300 Million with Improved Terms*

**Burlington, MA – May 5, 2011** – CIRCOR International, Inc. (NYSE: CIR), a leading provider of valves and other highly engineered products for the industrial, aerospace and energy markets, today announced financial results for the first quarter ended April 3, 2011.

**Management Comments on First-Quarter Results**

“CIRCOR is off to a strong start in 2011,” said Chairman and Chief Executive Officer Bill Higgins. “Revenues grew by 39% year over year, and adjusted earnings per share, excluding Leslie asbestos and bankruptcy charges, increased by 58%. Our short-cycle Energy and Flow Technologies end markets are the strongest, benefiting from early-cycle economic activity. Total Orders for the quarter were up 30% year over year; with Energy bookings growing 72%.”

“We are very pleased to have accomplished the final step to permanently resolve Leslie’s asbestos liability. Last week we funded the asbestos trust and Leslie Controls has emerged from bankruptcy.” said Higgins. “In addition, to support our strategic growth, we have entered into a new \$300 million, five-year unsecured credit agreement, which provides better terms than our previous arrangement and additional borrowing capacity.”

CIRCOR also announced that Paul M. Coppinger will be leaving the Company May 13, 2011. As President of CIRCOR Energy, Mr. Coppinger led the segment through a period of plant consolidations and lean implementations. Commenting on the Company’s search for a new CIRCOR Energy leader, Mr. Higgins said, “This individual will drive the transition to accelerating global growth both organically and through acquisitions.”

**Consolidated Results**

Revenues for the first quarter of 2011 were \$203.4 million, a 39% increase from \$146.3 million generated in the first quarter of 2010. CIRCOR reported net income for the first quarter of 2011 of \$7.9 million, or \$0.45 per diluted share, compared with net income of \$5.7 million, or \$0.33 per diluted share, for the first quarter of 2010.

Consolidated adjusted operating earnings, which excludes Leslie asbestos and bankruptcy charges, was \$13.8 million for the first quarter of 2011 compared to \$7.3 million for first quarter 2010, an increase of 89%.

First-quarter 2011 net income included pretax Leslie asbestos and bankruptcy charges of \$1.0 million, compared with \$0.6 million of pretax asbestos recoveries in the first quarter of 2010. Excluding Leslie asbestos and bankruptcy charges and recoveries net of tax, adjusted earnings per diluted share increased 58% to \$0.49 for the first quarter of 2011, compared with \$0.31 in the first quarter of 2010.

### **Consolidated Orders and Free Cash Flow**

The Company received orders totaling \$221.6 million during the first quarter of 2011, an increase of 30% compared with the first quarter of 2010 and a 4% increase compared with the fourth quarter of 2010. Backlog as of April 3, 2011 was \$419.1 million, up 27% from backlog of \$330.4 million at April 4, 2010 and up 4% from \$404.3 million at December 31, 2010.

During the first quarter of 2011, the Company generated \$0.9 million of free cash flow (defined as net cash from operating activities, less capital expenditures and dividends paid) compared with using \$7.0 million in the first quarter of 2010, primarily due to higher net income and working capital improvements.

### **Energy**

CIRCOR's Energy segment revenues of \$99.2 million for the quarter ended April 3, 2011 represent a 72% increase from \$57.7 million for the quarter ended April 4, 2010. The increase included 65% organic growth, 4% growth from acquisitions, and a positive foreign currency adjustment of 3%. The growth was primarily the result of strong shipment volume for large international projects and short-cycle North American business, the acquisition of SF Valves in February, and favorable foreign currency fluctuations.

Incoming orders for the first quarter of 2011 were \$113.7 million, an increase of 72% year over year, but down 6% sequentially. The year-over-year growth was primarily due to strength in large international projects, which has rebounded from the low order intake in the previous year. Ending backlog totaled \$203.1 million, a 50% increase year over year and a 13% increase sequentially.

For the first quarter of 2011, the Energy segment adjusted operating margin of 6.4% compares with 3.5% for the first quarter of 2010 and 6.7% for the fourth quarter of 2010. The year-over-year increase was driven primarily by the improved margins and revenue in the North American short-cycle businesses, partially offset by pricing pressure on large international projects.

### **Aerospace**

CIRCOR's Aerospace segment revenues increased by 18% to \$32.1 million for the first quarter of 2011 from \$27.3 million in the first quarter of 2010. The increase in revenues was driven by 14% growth from acquisitions, 4% organic growth, and a 1% positive foreign currency adjustment.

Incoming orders for the first quarter of 2011 were \$32.8 million, a decrease of 6% year over year, but up 7% sequentially. The year-over-year order decrease was primarily due to the timing of military landing gear orders which were high in the first quarter of 2010, partially offset by the positive impact of acquisitions. Ending backlog totaled \$135.3 million, an increase of 12% year over year, but down 8% sequentially.

The Aerospace segment's adjusted operating margin was 11.6% for the first quarter of 2011, compared with 13.2% for the first quarter of 2010, and 14.1% for the fourth quarter of 2010. First-quarter 2011 adjusted operating margins decreased year over year primarily as a result of higher costs associated with the integration of the Castle acquisition.

### **Flow Technologies**

CIRCOR's Flow Technologies segment revenues increased 18% to \$72.1 million for the first quarter of 2011 from \$61.3 million in the first quarter of 2010. First-quarter 2011 revenues reflected organic growth of 15%, due to continued semiconductor strength and steady progress in process and industrial markets, growth from acquisitions of 2%, and a favorable foreign currency adjustment of 1%.

Incoming orders for this segment were \$75.0 million for the first quarter of 2011, an increase of 9% year over year and 24% sequentially. The year-over-year and sequential increase reflects an improvement in most markets except refining and maritime. Ending backlog totaled \$80.7 million, an increase of 9% year over year and an increase of 5% sequentially.

This segment's adjusted operating margin, which excludes the impact of Leslie asbestos and bankruptcy charges, for the first quarter of 2011, was 13.7%, compared with 10.2% in the first quarter of 2010 and 12.5% in the fourth quarter of 2010. The first-quarter year-over-year adjusted operating margin increase was due primarily to higher volumes and associated leverage.

### **Business and Financial Outlook**

"2011 is shaping up to be a year of improving performance for CIRCOR," said Higgins. "Short cycle bookings for our Energy business remain solid and large international projects are continuing to recover. We expect Energy margins will slowly improve, as we work through the lower margin project backlog. Commercial aerospace has come off the bottom; however, military sales will remain soft for the near-term. The end markets within our Flow Technologies business are healthy."

CIRCOR currently expects revenues for the second quarter of 2011 in the range of \$200 million to \$207 million and adjusted earnings are expected to be in the range of \$0.42 to \$0.52 per diluted share. CIRCOR's guidance for adjusted earnings per share assumes a 31% tax rate and that exchange rates remain at present levels.

### **Conference Call Information**

CIRCOR International will hold a conference call to review its financial results today, May 5, 2011, at 10:00 a.m. ET. Those who wish to listen to the conference call and view the accompanying presentation slides should visit "[Webcasts & Presentations](#)" in the "[Investors](#)" portion of the CIRCOR website. The live call also can be accessed by dialing (877) 407-5790 or (201) 689-8328. If you are unable to listen to the live call, 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 second-quarter revenue and earnings guidance. 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 the industrial, aerospace and energy markets. With more than 7,000 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 STATEMENTS OF OPERATIONS**  
*(in thousands, except per share data)*  
**UNAUDITED**

	Three Months Ended	
	April 3, 2011	April 4, 2010
Net revenues	\$ 203,370	\$ 146,269
Cost of revenues	147,160	103,550
<b>GROSS PROFIT</b>	<b>56,210</b>	<b>42,719</b>
Selling, general and administrative expenses	42,437	35,418
Leslie asbestos and bankruptcy charges (recoveries)	1,001	(648)
<b>OPERATING INCOME</b>	<b>12,772</b>	<b>7,949</b>
Other expense (income):		
Interest income	(43)	(43)
Interest expense	816	597
Other expense (income), net	915	(51)
<b>Total other expense</b>	<b>1,688</b>	<b>503</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>11,084</b>	<b>7,446</b>
Provision for income taxes	3,178	1,713
<b>NET INCOME</b>	<b>\$ 7,906</b>	<b>\$ 5,733</b>
Earnings per common share:		
Basic	\$ 0.46	\$ 0.34
Diluted	\$ 0.45	\$ 0.33
Weighted average common shares outstanding:		
Basic	17,163	17,051
Diluted	17,378	17,193

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

	<b>Three Months Ended</b>	
	<b>April 3, 2011</b>	<b>April 4, 2010</b>
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 7,906	\$ 5,733
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	3,575	3,228
Amortization	1,418	979
Compensation expense of stock-based plans	1,136	843
Tax effect of share based compensation	(256)	112
Loss on disposal of property, plant and equipment	2	0
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Trade accounts receivable	1,421	(10,734)
Inventories	(4,622)	(4,332)
Prepaid expenses and other assets	(6,781)	(8,212)
Accounts payable, accrued expenses and other liabilities	416	9,609
Net cash provided by (used in) operating activities	<u>4,215</u>	<u>(2,774)</u>
<b>INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(2,693)	(3,606)
Proceeds from the sale of property, plant and equipment	12	13
Purchase of investments	(1)	0
Business acquisitions, net of cash acquired	(20,221)	(340)
Net cash used in investing activities	<u>(22,903)</u>	<u>(3,933)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	60,748	16,110
Payments of long-term debt	(34,778)	(15,972)
Dividends paid	(663)	(639)
Proceeds from the exercise of stock options	213	256
Tax effect of share based compensation	256	(112)
Net cash provided by (used in) financing activities	<u>25,776</u>	<u>(357)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>651</u>	<u>(1,474)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,739</b>	<b>(8,538)</b>
Cash and cash equivalents at beginning of year	<u>45,752</u>	<u>46,350</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 53,491</u></b>	<b><u>\$ 37,812</u></b>

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

	<u>April 3, 2011</u>	<u>December 31, 2010</u>
<b>ASSETS</b>		
Current Assets:		
Cash & cash equivalents	\$ 53,491	\$ 45,752
Short-term investments	107	101
Trade accounts receivable, less allowance for doubtful accounts of \$1,249 and \$822, respectively	141,280	138,860
Inventories	177,340	167,797
Income taxes refundable	1,806	1,625
Prepaid expenses and other current assets	13,200	5,749
Deferred income tax asset	20,422	20,111
Insurance receivables	38	38
Assets held for sale	542	542
Total Current Assets	408,226	380,575
Property, Plant and Equipment, net	100,251	95,768
Other Assets:		
Goodwill	72,843	63,175
Intangibles, net	61,977	62,322
Deferred income tax asset	11,829	11,829
Other assets	11,582	2,526
Total Assets	\$ 666,708	\$ 616,195
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 86,099	\$ 80,577
Accrued expenses and other current liabilities	51,572	51,248
Accrued compensation and benefits	20,354	22,305
Leslie asbestos and bankruptcy related liabilities	79,801	79,831
Income taxes payable	0	38
Notes payable and current portion of long-term debt	8,178	851
Total Current Liabilities	246,004	234,850
Long-Term Debt, net of current portion	22,858	684
Deferred income taxes	400	0
Other Non-Current Liabilities	22,740	23,841
Shareholders' Equity:		
Preferred stock, \$.01 par value; 1,000,000 shares authorized; no shares issued and outstanding	0	0
Common stock, \$.01 par value; 29,000,000 shares authorized; and 17,202,100 and 17,112,688 issued and outstanding, respectively	172	171
Additional paid-in capital	255,348	254,154
Retained earnings	103,631	96,389
Accumulated other comprehensive income	15,555	6,106
Total Shareholders' Equity	374,706	356,820
Total Liabilities and Shareholders' Equity	\$ 666,708	\$ 616,195

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

	<u>Three Months Ended</u>	
	<u>April 3, 2011</u>	<u>April 4, 2010</u>
<b>ORDERS<sup>1</sup></b>		
Energy	\$ 113.7	\$ 66.2
Aerospace	32.8	34.8
Flow Technologies	<u>75.0</u>	<u>69.1</u>
Total orders	<u>\$ 221.5</u>	<u>\$ 170.1</u>
	<u>April 3, 2011</u>	<u>April 4, 2010</u>
<b>BACKLOG<sup>2</sup></b>		
Energy	\$ 203.1	\$ 135.4
Aerospace	135.3	\$ 121.0
Flow Technologies	<u>80.7</u>	<u>\$ 74.0</u>
Total backlog	<u>\$ 419.1</u>	<u>\$ 330.4</u>

Note 1: Beginning in Q2 2010, orders have been adjusted to exclude the foreign exchange impact from backlog remeasurement. The three months ended April 4, 2010 reflects an increase of \$9.0 million.

Note 2: Backlog includes all unshipped customer orders.

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

	2010					2011
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD	1ST QTR
<b>NET REVENUES</b>						
Energy	\$ 57,722	\$ 77,305	\$ 80,613	\$ 90,229	\$305,869	\$ 99,170
Aerospace	27,274	27,811	28,316	35,465	118,866	32,110
Flow Technologies	61,273	62,889	68,648	68,365	261,175	72,090
Total	<u>146,269</u>	<u>168,005</u>	<u>177,577</u>	<u>194,059</u>	<u>685,910</u>	<u>203,370</u>
<b>* ADJUSTED OPERATING MARGIN</b>						
Energy	3.5%	8.3%	11.1%	6.7%	7.7%	6.4%
Aerospace	13.2%	14.6%	9.6%	14.1%	13.0%	11.6%
Flow Technologies	10.2%	10.1%	13.1%	12.5%	11.5%	13.7%
Segment operating margin	8.1%	10.0%	11.7%	10.1%	10.1%	9.8%
Corporate expenses	-3.1%	-3.1%	-2.7%	-3.3%	-3.1%	-3.0%
* Adjusted operating margin	5.0%	6.9%	8.9%	6.7%	7.0%	6.8%
Leslie asbestos and bankruptcy charges (recoveries)	-0.4%	17.2%	1.3%	1.1%	4.8%	0.5%
Total operating margin	5.4%	-10.3%	7.6%	5.6%	2.2%	6.3%
<b>* ADJUSTED OPERATING INCOME</b>						
Energy	2,025	6,424	8,968	6,024	23,441	6,393
Aerospace	3,607	4,067	2,726	5,002	15,402	3,727
Flow Technologies	6,276	6,367	8,997	8,512	30,152	9,854
Segment operating income	11,908	16,858	20,691	19,538	68,995	19,974
Corporate expenses	(4,607)	(5,274)	(4,859)	(6,494)	(21,234)	(6,201)
* Adjusted operating income	7,301	11,584	15,832	13,044	47,761	13,773
Leslie asbestos and bankruptcy charges (recoveries)	(648)	28,908	2,343	2,173	32,776	1,001
Total operating income	7,949	(17,325)	13,490	10,871	14,986	12,772
INTEREST EXPENSE, NET	(554)	(586)	(734)	(641)	(2,515)	(773)
OTHER (EXPENSE) INCOME, NET	51	(258)	853	(608)	38	(915)
PRETAX INCOME (LOSS)	7,446	(18,169)	13,609	9,622	12,508	11,084
(PROVISION) BENEFIT FOR INCOME TAXES	(1,713)	6,928	(3,210)	(1,890)	115	(3,178)
<i>EFFECTIVE TAX RATE</i>	23.0%	38.1%	23.6%	19.6%	-0.9%	28.7%
<b>NET INCOME (LOSS)</b>	<u>\$ 5,733</u>	<u>\$ (11,241)</u>	<u>\$ 10,399</u>	<u>\$ 7,732</u>	<u>\$ 12,624</u>	<u>\$ 7,906</u>
Weighted Average Common Shares Outstanding (Diluted)	17,193	17,109	17,258	17,378	17,297	17,378
<b>EARNINGS PER COMMON SHARE (Diluted)</b>	<u>\$ 0.33</u>	<u>\$ (0.66)</u>	<u>\$ 0.60</u>	<u>\$ 0.44</u>	<u>\$ 0.73</u>	<u>\$ 0.45</u>
EBIT	\$ 8,000	\$ (17,583)	\$ 14,343	\$ 10,263	\$ 15,024	\$ 11,857
Depreciation	3,228	3,115	3,166	3,566	13,075	3,575
Amortization of intangibles	979	964	1,122	1,236	4,301	1,418
<b>EBITDA</b>	<u>\$ 12,207</u>	<u>\$ (13,504)</u>	<u>\$ 18,631</u>	<u>\$ 15,065</u>	<u>\$ 32,400</u>	<u>\$ 16,850</u>
<b>EBITDA AS A PERCENT OF SALES</b>	<u>8.3%</u>	<u>-8.0%</u>	<u>10.5%</u>	<u>7.8%</u>	<u>4.7%</u>	<u>8.3%</u>
<b>CAPITAL EXPENDITURES</b>	<u>\$ 3,606</u>	<u>\$ 4,580</u>	<u>\$ 3,213</u>	<u>\$ 3,513</u>	<u>\$ 14,913</u>	<u>\$ 2,693</u>

\* Adjusted Operating Income & Margin excludes Special, Impairment, and Leslie asbestos and bankruptcy charges.

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

(in thousands)

UNAUDITED

	2010					2011
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	YTD	1ST QTR
<b>FREE CASH FLOW [NET CASH FLOW FROM OPERATING ACTIVITIES LESS CAPITAL EXPENDITURES LESS DIVIDENDS PAID]</b>	<b>\$ (7,019)</b>	<b>\$ 11,947</b>	<b>\$ (3,566)</b>	<b>\$ 15,560</b>	<b>\$ 16,921</b>	<b>\$ 859</b>
ADD: Capital expenditures	3,606	4,580	3,213	3,513	14,913	2,693
Dividends paid	639	640	703	661	2,643	663
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (2,774)</u>	<u>\$ 17,167</u>	<u>\$ 350</u>	<u>\$ 19,734</u>	<u>\$ 34,477</u>	<u>\$ 4,215</u>
<b>NET DEBT (CASH) [TOTAL DEBT LESS CASH &amp; CASH EQUIVALENTS LESS INVESTMENTS]</b>	<b>\$ (52,713)</b>	<b>\$ (55,976)</b>	<b>\$ (26,225)</b>	<b>\$ (44,318)</b>	<b>\$ (44,318)</b>	<b>\$ (22,562)</b>
ADD:						
Cash & cash equivalents	37,812	60,857	68,526	45,752	45,752	53,491
Investments	22,412	94	97	101	101	107
TOTAL DEBT	<u>\$ 7,511</u>	<u>\$ 4,975</u>	<u>\$ 42,398</u>	<u>\$ 1,535</u>	<u>\$ 1,535</u>	<u>\$ 31,036</u>
<b>DEBT AS % OF EQUITY</b>	<b>2%</b>	<b>2%</b>	<b>12%</b>	<b>0%</b>	<b>0%</b>	<b>8%</b>
TOTAL DEBT	7,511	4,975	42,398	1,535	1,535	31,036
TOTAL SHAREHOLDERS' EQUITY	349,244	324,128	351,719	356,820	356,820	374,706
<b>EBIT [NET INCOME LESS INCOME TAXES LESS INTEREST EXPENSE, NET]</b>	<b>\$ 8,000</b>	<b>\$ (17,583)</b>	<b>\$ 14,343</b>	<b>\$ 10,263</b>	<b>\$ 15,023</b>	<b>\$ 11,857</b>
LESS:						
Interest expense, net	(554)	(586)	(734)	(641)	(2,515)	(773)
Provision for income taxes	(1,713)	6,928	(3,210)	(1,890)	115	(3,178)
NET INCOME	<u>\$ 5,733</u>	<u>\$ (11,241)</u>	<u>\$ 10,399</u>	<u>\$ 7,732</u>	<u>\$ 12,624</u>	<u>\$ 7,906</u>
<b>EBITDA [NET INCOME LESS INTEREST EXPENSE, NET, LESS DEPRECIATION LESS AMORTIZATION LESS INCOME TAXES]</b>	<b>\$ 12,207</b>	<b>\$ (13,504)</b>	<b>\$ 18,631</b>	<b>\$ 15,065</b>	<b>\$ 32,399</b>	<b>\$ 16,850</b>
LESS:						
Interest expense, net	(554)	(586)	(734)	(641)	(2,515)	(773)
Depreciation	(3,228)	(3,115)	(3,166)	(3,566)	(13,075)	(3,575)
Amortization	(979)	(964)	(1,122)	(1,236)	(4,301)	(1,418)
Provision for income taxes	(1,713)	6,928	(3,210)	(1,890)	115	(3,178)
NET INCOME	<u>\$ 5,733</u>	<u>\$ (11,241)</u>	<u>\$ 10,399</u>	<u>\$ 7,732</u>	<u>\$ 12,624</u>	<u>\$ 7,906</u>
<b>ADJUSTED INCOME [NET INCOME EXCLUDING SPECIAL, IMPAIRMENT, AND LESLIE ASBESTOS AND BANKRUPTCY CHARGES, NET OF TAX]</b>	<b>\$ 5,312</b>	<b>\$ 7,549</b>	<b>\$ 11,922</b>	<b>\$ 9,144</b>	<b>\$ 33,928</b>	<b>\$ 8,557</b>
LESS:						
Leslie asbestos and bankruptcy charges (recoveries), net of tax	(421)	18,790	1,523	1,412	21,304	651
NET INCOME	<u>\$ 5,733</u>	<u>\$ (11,241)</u>	<u>\$ 10,399</u>	<u>\$ 7,732</u>	<u>\$ 12,624</u>	<u>\$ 7,906</u>
<b>ADJUSTED WEIGHTED AVERAGE SHARES</b>	<b>N/A</b>	<b>17,109</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Adjustment for anti-dilutive conversion of shares	0	153	0	0	0	0
Weighted average common shares outstanding (diluted)	<u>17,193</u>	<u>17,262</u>	<u>17,258</u>	<u>17,378</u>	<u>17,297</u>	<u>17,378</u>
<b>ADJUSTED EARNINGS PER SHARE [EPS EXCLUDING SPECIAL, IMPAIRMENT, AND LESLIE ASBESTOS AND BANKRUPTCY CHARGES, NET OF TAX]</b>	<b>\$ 0.31</b>	<b>\$ 0.44</b>	<b>\$ 0.69</b>	<b>\$ 0.53</b>	<b>\$ 1.97</b>	<b>\$ 0.49</b>
LESS:						
Leslie asbestos and bankruptcy charges (recoveries), net of tax impact on EPS	(0.02)	1.10	0.09	0.08	1.24	0.04
EARNINGS PER COMMON SHARE (Diluted)	<u>\$ 0.33</u>	<u>\$ (0.66)</u>	<u>\$ 0.60</u>	<u>\$ 0.44</u>	<u>\$ 0.73</u>	<u>\$ 0.45</u>

**CIRCOR INTERNATIONAL, INC**  
**Leslie Controls Asbestos Items**  
(in thousands, except case information)

	2010				YTD	2011
	1ST QTR	2ND QTR	3RD QTR	4TH QTR		1ST QTR
<b>Quarterly Case Rollforward</b>						
Beginning open cases	1,104	1,150	1,214	1,340	1,104	1,340
Cases filed	150	169	132	—	451	—
Cases resolved and dismissed	(104)	(105)	(6)	—	(215)	—
Ending open cases	<u>1,150</u>	<u>1,214</u>	<u>1,340</u>	<u>1,340</u>	<u>1,340</u>	<u>1,340</u>
Ending open mesothelioma cases	<u>623</u>	<u>672</u>	<u>713</u>	<u>713</u>	<u>713</u>	<u>713</u>
<b>Income Statement Amounts</b>						
Indemnity costs accrued (cases filed)	\$ 699	\$ 1,797	\$ —	\$ —	\$ 2,496	\$ —
Adverse verdict costs (recoveries)	65	(2,455)	—	—	(2,390)	—
Defense costs incurred	3,731	3,435	16	319	7,501	—
Insurance recoveries adjustment	(3,652)	—	—	—	(3,652)	—
Insurance recoveries accrued	(1,491)	(1,135)	—	—	(2,626)	—
Leslie Bankruptcy related charges, net	—	27,266	2,327	1,854	31,447	1,001
Net pre-tax Leslie asbestos and bankruptcy expense (recovery)	<u>\$ (648)</u>	<u>\$ 28,908</u>	<u>\$ 2,343</u>	<u>\$ 2,173</u>	<u>\$ 32,776</u>	<u>\$ 1,001</u>
<b>Balance Sheet Amounts</b>						
Bankruptcy and indemnity liability	\$57,732	\$ 78,976	\$ 78,067	\$ 77,689		\$77,659
Incurred defense cost liability	2,099	3,455	1,997	2,142		2,142
Insurance recoveries receivable	(7,997)	(1,180)	(194)	(38)		(38)
Net Leslie asbestos liability	<u>\$51,834</u>	<u>\$ 81,251</u>	<u>\$ 79,870</u>	<u>\$ 79,793</u>		<u>\$79,763</u>

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

	<b>2nd QTR 2011</b>	
	<b>Low</b>	<b>High</b>
<b>EXPECTED ADJUSTED EARNINGS PER SHARE [EPS EXCLUDING SPECIAL, IMPAIRMENT, AND LESLIE ASBESTOS AND BANKRUPTCY CHARGES, NET OF TAX]</b>	<b>\$0.42</b>	<b>\$0.52</b>
LESS:		
Expected special charges (recoveries), net of tax impact on EPS	\$ —	\$ —
Expected impairment charges, net of tax impact on EPS	\$ —	\$ —
Expected Leslie asbestos and bankruptcy charges, net of tax impact on EPS	\$ —	\$ —
EXPECTED EARNINGS PER COMMON SHARE (Diluted)	<u>\$0.42</u>	<u>\$0.52</u>