
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): April 30, 2008

CIRCOR INTERNATIONAL, INC.

(Exact name of registrant as specified in charter)

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)

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 2.02 Results of Operations and Financial Condition

By press release dated April 30, 2008, the Company announced its financial results for the three months ended March 30, 2008. 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, and earnings per share excluding special charges. 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. 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) and earnings per share excluding special charges (defined as earnings per common share, excluding the impact of special charges, net of tax) is provided because management believes these measurements are commonly used by investors and financial institutions to analyze and compare companies on the basis of operating performance. Free cash flow, EBIT, EBITDA, and earnings per share excluding special charges 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, and earnings per share excluding special charges, 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, and earnings per share excluding special charges, 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

In connection with A. William Higgins’ February 20, 2008 appointment to the position of Chief Executive Officer effective March 1, 2008, we have entered into an Amended and Restated Executive Change of Control Agreement (the “Change in Control Agreement”) and a Restricted Stock Unit Agreement (the “RSU Agreement”) with Mr. Higgins, both of which were described in the Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on February 26, 2008 and in our Definitive Proxy Statement filed with the SEC on March 26, 2008.

As previously reported, the material terms of the Change in Control Agreement will be the same as those applicable to Mr. Higgins’ prior Executive Change of Control Agreement entered into on February 15, 2005 except that the “Change of Control Payment” (as defined in

the Change of Control Agreement) will be an amount equal to three times the sum of his then effective base salary plus his highest annual incentive compensation under the Company's Executive Bonus Incentive Plan in the three immediately preceding fiscal years and Mr. Higgins will also be entitled, under certain circumstances and for a period of time through December 31, 2013, to a gross-up payment so that the net amount of such payment (after taxes) is sufficient to pay the excise tax, if any, due under the Internal Revenue Code in respect of the Change in Control Payment. A copy of this Amended and Restated Change of Control Agreement is attached as Exhibit 10.16 hereto.

Pursuant to the RSU Agreement, in order to compensate Mr. Higgins for his willingness to forfeit participation in the Company's Supplemental Executive Retirement Plan, he has received a restricted stock unit award with the number of units equal to \$1,400,000 divided by the closing market price of the Company's stock on February 29, 2008. These restricted stock units vest 15% at the time of the award with the remainder to vest in equal installments over a 13-year period from the date of the award. A copy of the RSU Agreement is attached as Exhibit 10.17 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
10.16	Amended and Restated Executive Change of Control Agreement between CIRCOR, Inc. and Andrew William Higgins, dated May 6, 2008
10.17	Restricted Stock Unit Agreement between CIRCOR International, Inc. and A. William Higgins dated May 6, 2008
99.1	Press Release regarding Earnings, Dated April 30, 2008.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 6, 2008

CIRCOR INTERNATIONAL, INC.

/S/ Frederic M. Burditt

By: Frederic M. Burditt

Vice President, Chief Financial Officer and Treasurer

**AMENDED AND RESTATED
EXECUTIVE CHANGE OF CONTROL AGREEMENT**

This AMENDED AND RESTATED EXECUTIVE CHANGE OF CONTROL AGREEMENT ("Agreement") is made as of the 6th day of May, 2008, between CIRCOR, Inc., a Massachusetts corporation (the "Company"), and Andrew William Higgins ("Executive").

WHEREAS, the Company presently employs Executive in which capacity Executive serves as an officer of the Company and its Parent (as defined below); and

WHEREAS, the Board of Directors of the Parent (the "Board") recognizes the valuable services rendered to the Company, the Parent and their respective affiliates by Executive; and

WHEREAS, the Board has determined that it is in the best interests of the Company, the Parent and their affiliates to encourage in advance the continued loyalty of Executive as well as Executive's continued attention to his assigned duties and objectivity in the event of a threatened or possible change in control of the Parent; and

WHEREAS, the Company and Executive have previously entered into that certain Executive Change of Control Agreement dated February 15, 2005 (the "Original Agreement"); and

WHEREAS, in connection with Executive's promotion to the position of Chief Executive Officer of the Parent, the Company and Executive wish to amend and restate the Original Agreement,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cause" shall mean: (a) conduct by Executive constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (b) criminal or civil conviction of Executive, a plea of nolo contendere by Executive or conduct by Executive that would reasonably be expected to result in material injury to the reputation of the Company if he were retained in his position with the Company, including, without limitation, conviction of a felony involving moral turpitude; (c) continued, willful and deliberate non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than thirty (30) days following written notice of such non-performance from the Board; or (d) a violation by Executive of the Company's employment policies which has continued following written notice of such violation from the Board.

“Change in Control” shall mean any of the following:

(a) Any “person,” as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Act”) (other than the Parent, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Parent or any of its subsidiaries), together with all “affiliates” and “associates” (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Parent representing twenty-five percent (25%) or more of either (A) the combined voting power of the Parent’s then outstanding securities having the right to vote in an election of the Parent’s Board (“Voting Securities”) or (B) the then outstanding shares of Parent’s common stock, par value \$0.01 per share (“Common Stock”) (other than as a result of an acquisition of securities directly from the Parent); or

(b) Incumbent Directors (as defined below) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board; or

(c) The stockholders of the Parent shall approve (A) any consolidation or merger of the Parent where the stockholders of the Parent, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d3 under the Act), directly or indirectly, shares representing in the aggregate fifty percent (50%) or more of the voting shares of the Parent or other party issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Parent or (C) any plan or proposal for the liquidation or dissolution of the Parent.

Notwithstanding the foregoing, a “Change of Control” shall not be deemed to have occurred for purposes of the foregoing clause (a) solely as the result of an acquisition of securities by the Parent which, by reducing the number of shares of Common Stock or other Voting Securities outstanding, increases the proportionate number of shares beneficially owned by any person to twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities or Common Stock (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Parent) and immediately thereafter beneficially owns twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock, then a “Change of Control” shall be deemed to have occurred for purposes of the foregoing clause (a).

“Good Reason” shall mean that Executive has complied with the “Good Reason Process” (hereinafter defined) following the occurrence of any of the following events: (A) a material diminution or other material adverse change, not consented to by Executive, in the nature or scope of Executive’s responsibilities, authorities, powers, functions or duties; (B) an involuntary material reduction in Executive’s Base Salary except for across-the-board reductions similarly

affecting all or substantially all management employees; (C) a material breach of this Agreement by the Company; or (D) a material change in the geographic location at which Executive provides services to the Company.

“Good Reason Process” shall mean that (a) Executive reasonably determines in good faith that a “Good Reason” event has occurred; (b) Executive notifies the Company in writing of the occurrence of the Good Reason event within 60 days of such occurrence; (c) Executive cooperates in good faith with the Company’s efforts, for a period not less than 30 days following such notice (the “Cure Period”), to remedy the condition; (d) notwithstanding such efforts, the Good Reason event continues to exist; and (e) Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason event during the Cure Period, Good Reason shall be deemed not to have occurred.

“Incumbent Directors” shall mean persons who, as of the Commencement Date, constitute the Board; provided that any person becoming a director of the Parent subsequent to the Commencement Date shall be considered an Incumbent Director if such person’s election was approved by or such person was nominated for election by a vote of at least a majority of the Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director.

“Parent” shall mean CIRCOR International, Inc., a Delaware corporation as well as its successors by merger or otherwise.

2. Term. The term of this Agreement shall extend from the date hereof (the “Commencement Date”) until the first anniversary of the Commencement Date; provided, however, that the term of this Agreement shall automatically be extended for one additional year on the first anniversary of the Commencement Date and each anniversary thereafter unless, not less than 90 days prior to each such date, either party shall have given notice to the other that it does not wish to extend this Agreement; provided, further, that if a Change in Control occurs during the original or extended term of this Agreement, the term of this Agreement shall continue in effect for a period of not less than twelve (12) months beyond the month in which the Change in Control occurred.

3. Change in Control Payment. The provisions of this Paragraph 3 set forth certain terms of an agreement reached between Executive and the Company regarding Executive’s rights and obligations upon the occurrence of a Change in Control of the Parent. These provisions are intended to assure and encourage in advance Executive’s continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall terminate and be of no further force or effect beginning twelve (12) months after the occurrence of a Change of Control.

(a) Change in Control.

(i) If within twelve (12) months after the occurrence of the first event constituting a Change in Control, Executive's employment is terminated by the Company without Cause as defined in Paragraph 1 or Executive terminates his employment for Good Reason as provided in Paragraph 1, then the Company shall pay Executive on the date of termination a lump sum in cash in an amount equal to three (3) times the sum of (A) Executive's current Base Salary plus (B) Executive's highest annual incentive compensation under the Company's Executive Bonus Incentive Plan in the three (3) immediately preceding fiscal years, excluding any sign-on bonus, retention bonus or any other special bonus ("Incentive Compensation").

(ii) Notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, upon a Change in Control, all stock options and other stock-based awards granted to Executive by the Parent shall immediately accelerate and become exercisable or non-forfeitable as of the effective date of such Change in Control. In addition, all restricted stock units held by Executive pursuant to the Management Stock Purchase Plan shall become fully vested upon a Change of Control and Executive shall be entitled to receive the shares of stock represented by such restricted stock units. Executive shall also be entitled to any other rights and benefits with respect to stock-related awards, to the extent and upon the terms provided in the employee stock option or incentive plan or any agreement or other instrument attendant thereto pursuant to which such options or awards were granted.

(iii) The Company shall, for a period of two (2) years commencing on the date of termination, pay such health insurance premiums as may be necessary to allow Executive, Executive's spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the date of termination.

(iv) In addition, the Company shall, for a period of two (2) years commencing on the date of termination, pay or promptly reimburse Executive for expenses incurred for leasing an automobile (the "Leasing Allowance") in an amount equal to the Leasing Allowance that Executive was entitled to receive from the Company in accordance with the Leasing Allowance policies and procedures then in effect prior to the date of termination.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding (except as otherwise provided in this Paragraph 3(b)), in the event that any compensation, payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the following provisions shall apply:

(A) If the Severance Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state and local income and employment taxes payable by Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(B) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the-sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the benefits payable under this Agreement shall be reduced (but not below zero) to the extent necessary so that the maximum Severance Payments shall not exceed the Threshold Amount. To the extent that there is more than one method of reducing the payments to bring them within the Threshold Amount, Executive shall determine which method shall be followed; provided that if Executive fails to make such determination within 45 days after the Company has sent Executive written notice of the need for such reduction, the Company may determine the amount of such reduction in its sole discretion.

For the purposes of this Paragraph 3(b), "Threshold Amount" shall mean three times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(ii) Notwithstanding anything in this Paragraph 3(b) to the contrary, if the Change in Control event triggering such payment occurs on or prior to December 31, 2013, the following provisions shall apply in lieu of Paragraph 3(b)(i) and Paragraph 3(b)(iii), but only to the extent that it shall be determined that the Severance Payments, would be subject to the Excise Tax and such Severance Payments exceed 110% of the Threshold Amount, then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") such that the net amount retained by the Executive, after deduction of any Excise Tax on the Severance Payments, any federal, state, and local income tax, employment tax and Excise Tax upon the payment provided by this Paragraph 3(b)(ii), and any interest and/or penalties assessed with respect to such Excise Tax, shall be equal to the Severance Payments.

(A) The initial Gross-Up Payment, if any, as determined pursuant to this Paragraph 3(b)(ii)(A) and Paragraph 3(b)(iv), shall be paid to the relevant tax authorities as withholding taxes on behalf of the Executive at such time or times when each Excise Tax payment is due. Any determination by Grant Thornton LLP or any other nationally recognized accounting firm selected by the Company (the "Accounting Firm") shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the

Company should have been made (an "Underpayment"). In the event that the Company exhausts its remedies pursuant to Paragraph 3(b)(ii)(B) below and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred, consistent with the calculations required to be made hereunder, and any such Underpayment, and any interest and penalties imposed on the Underpayment and required to be paid by the Executive in connection with the proceedings described in Paragraph 3(b)(ii)(B) below, shall be promptly paid by the Company to the relevant tax authorities as withholding taxes on behalf of the Executive.

(B) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive knows of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, provided that the Company has set aside adequate reserves to cover the Underpayment and any interest and penalties thereon that may accrue, the Executive shall:

(1) give the Company any information reasonably requested by the Company relating to such claim,

(2) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Company,

(3) cooperate with the Company in good faith in order to effectively contest such claim, and

(4) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Paragraph 3(b)(ii)(B), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole

option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive on an interest-free basis (to the extent not prohibited by applicable law) and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issues raised by the Internal Revenue Service or any other taxing authority.

(C) If, after a Gross-Up Payment by the Company on behalf of the Executive pursuant to this Paragraph 3(b), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Paragraph 3(b)(ii)(B) above) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after a Gross-Up Payment by the Company on behalf of the Executive pursuant to this Paragraph 3(b), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

(iii) Notwithstanding anything in this Paragraph 3(b) to the contrary, if the Change in Control event triggering such payment occurs on or prior to December 31, 2013, the following provisions shall apply in lieu of Paragraph 3(b)(i) and Paragraph 3(b)(ii), but only to the extent that it shall be determined that the Severance Payments, would be subject to the Excise Tax and such Severance Payments do not exceed 110% of the Threshold Amount: the benefits payable under this Agreement shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount.

(iv) The determination as to which of the alternative provisions of Paragraph 3(b) shall apply to Executive shall be made by the Accounting Firm, which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Paragraph 3(b) shall apply, Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the date of termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

4. Unauthorized Disclosure. Executive acknowledges that in the course of his employment with the Company (and, if applicable, its predecessors), he has been allowed to become, and will continue to be allowed to become, acquainted with the Company's and the Parent's business affairs, information, trade secrets, and other matters which are of a proprietary or confidential nature, including but not limited to the Company's, the Parent's and their affiliates' and predecessors' operations, business opportunities, price and cost information, finance, customer information, business plans, various sales techniques, manuals, letters, notebooks, procedures, reports, products, processes, services, and other confidential information and knowledge (collectively the "Confidential Information") concerning the Company's, the Parent's and their affiliates' and predecessors' business. The Company agrees to provide on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid Executive in the performance of his duties. Executive understands and acknowledges that such Confidential Information is confidential, and he agrees not to disclose such Confidential Information to anyone outside the Company or the Parent except to the extent that (i) Executive deems such disclosure or use reasonably necessary or appropriate in connection with performing his duties on behalf of the Company and the Parent, (ii) Executive is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, Executive shall promptly inform the Company or the Parent, as appropriate, of such event, shall cooperate with the Company or the Parent, as appropriate, in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order; (iii) such Confidential Information becomes generally known to and available for use in the Company's industry (the "Fluid-Control Industry"), other than as a result of any action or inaction by Executive; or (iv) such information has been rightfully received by a member of the Fluid-Control Industry or has been published in a form generally available to the Fluid-Control Industry prior to the date Executive proposes to disclose or use such information. Executive further agrees that he will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company or the Parent. At such time as Executive shall cease to be employed by the Company, he will immediately turn over to the Company or the Parent, as appropriate, all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of them provided to or created by him during the course of his employment with the Company. The provisions of this Paragraph 4 shall survive termination of this Agreement for any reason.

5. Covenant Not to Compete. In consideration of the benefits afforded Executive under the terms provided in this Agreement and as a means to aid in the performance and enforcement of the terms of the provisions of Paragraph 4, Executive agrees that

(a) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is engaged in a business that is competitive with any of the Company's or the Parent's products which are produced by the Company or the Parent or any affiliate of either entity as of the date of Executive's termination of employment with the Company, in any area or territory in which the Company or the Parent or any affiliate of either entity conducts operations; provided, however, that the foregoing shall not prohibit Executive from owning up to one percent (1%) of the outstanding stock of a publicly held company engaged in the Fluid-Control Industry; and

(b) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not directly or indirectly solicit or induce any present or future employee of the Company or the Parent or any affiliate of either entity to accept employment with Executive or with any business, operation, corporation, partnership, association, agency, or other person or entity with which Executive may be associated, and Executive will not employ or cause any business, operation, corporation, partnership, association, agency, or other person or entity with which Executive may be associated to employ any present or future employee of the Company or the Parent without providing the Company or the Parent, as appropriate, with ten (10) days' prior written notice of such proposed employment.

Should Executive violate any of the provisions of this Paragraph, then in addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which Executive began such violation until he permanently ceases such violation.

6. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

if to Executive:

At his home address as shown
in the Company's personnel records;

if to the Company:

CIRCOR, Inc.
25 Corporate Drive
Burlington, MA 01803
Attention: Board of Directors of CIRCOR International, Inc.

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

7. Not an Employment Contract. This Agreement is intended only to provide those benefits for Executive as set forth in Paragraph 3 in connection with a Change of Control. As such, this Agreement is not intended to and does not in any way constitute an employment agreement or other contract which would cause the employee to be considered anything other than an employee at will or to in any way be entitled to any specific payments or benefits from the Company in the event of a termination of employment not subject to Paragraph 3 of this Agreement.

8. Miscellaneous. No provisions of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, unless specifically referred to herein, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts (without regard to principles of conflicts of laws).

9. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. The invalid portion of this Agreement, if any, shall be modified by any court having jurisdiction to the extent necessary to render such portion enforceable.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. Arbitration; Other Disputes. In the event of any dispute or controversy arising under or in connection with this Agreement, the parties shall first promptly try in good faith to settle such dispute or controversy by mediation under the applicable rules of the American Arbitration Association before resorting to arbitration. In the event such dispute or controversy remains unresolved in whole or in part for a period of thirty (30) days after it arises, the parties will settle any remaining dispute or controversy exclusively by arbitration in Boston, Massachusetts, in accordance with the rules of the American Arbitration Association then in

effect. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Notwithstanding the above, the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of Paragraph 4 or 5 hereof.

12. Litigation and Regulatory Cooperation. During and after Executive's employment, Executive shall reasonably cooperate with the Company and the Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company and/or the Parent which relate to events or occurrences that transpired while Executive was employed by the Company; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company and/or the Parent at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company and the Parent in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall also provide Executive with compensation on an hourly basis (to be derived from the sum of his Base Salary and Incentive Compensation) for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse Executive for all costs and expenses incurred in connection with his performance under this Paragraph 12, including, but not limited to, reasonable attorneys' fees and costs.

13. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

14. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of Executive's "separation from service" within the meaning of Section 409A of the Code, the Company determines that Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that Executive becomes entitled to under this Agreement would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after Executive's separation from service, or (B) Executive's death.

(b) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(c) The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The Company makes no representation or warranty and shall have no liability to Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

CIRCOR, INC.

By: /s/ David A. Bloss, Sr.

David A. Bloss, Sr.

Chairman

EXECUTIVE

/s/ Andrew William Higgins

Andrew William Higgins



**RESTRICTED STOCK UNIT AGREEMENT
FOR EMPLOYEES AND DIRECTORS UNDER THE
CIRCOR INTERNATIONAL, INC. (the "Company")
1999 STOCK OPTION AND INCENTIVE PLAN (the "Plan")**

Name of Awardee: A. William Higgins

No. of Restricted Stock Units: 30,735

Award Date: May 6, 2008

Awardee, who currently serves as the President and Chief Executive Officer of the Company, is the lone remaining active employee participant in the Company's Supplemental Executive Retirement Plan ("SERP"). The Company wishes to terminate the SERP. The Company's Compensation Committee (the "Committee") has proposed, and the Awardee has accepted the Compensation Committee's proposal, that Awardee receive this special award of Restricted Stock Units ("RSUs") in lieu of any benefits under the SERP.

Accordingly, in consideration of the covenants of the Awardee set forth in this Agreement (and, in particular, the covenants set forth in Section 8 below), the Company hereby grants to Awardee an award (the "Award") of RSUs subject to the terms and conditions set forth herein and in the Plan.

1. Vesting Schedule. No portion of this Award may be received until such portion shall have vested. Except as otherwise set forth in this Agreement or in the Plan, the RSUs will vest, subject to employment with the Company, as follows:

<u>Number of Restricted Stock Units</u>	<u>Vesting Date</u>
(4,610)	May 6, 2008
(2,009)	May 6, 2009
(2,010)	May 6, 2010
(2,010)	May 6, 2011
(2,009)	May 6, 2012
(2,010)	May 6, 2013
(2,010)	May 6, 2014
(2,009)	May 6, 2015
(2,010)	May 6, 2016
(2,010)	May 6, 2017
(2,009)	May 6, 2018
(2,010)	May 6, 2019
(2,010)	May 6, 2020
(2,009)	May 6, 2021

In the event of a Covered Transaction as defined in Section 3(c) of the Plan, this Award shall become immediately vested whether or not this Award or any portion thereof is vested at such time.

2. Deferral of Award.

(a) Each vested RSU entitles Awardee to receive one share of the Company's Common Stock (the "Stock") on the vesting date for such RSU; provided, however, that with respect to any RSU that vests in 2008, the settlement in Stock will occur in January, 2009.

(b) Shares of Stock underlying the RSUs shall be issued and delivered to Awardee in accordance with paragraph (a) and upon compliance to the satisfaction of the Committee with all requirements under applicable laws or regulations in connection with such issuance and with the requirements hereof and of the Plan. The determination of the Committee as to such compliance shall be final and binding on Awardee.

(c) Until such time as shares of Stock have been issued to Awardee pursuant to paragraph (b) above, and except as set forth in paragraph (d) below regarding dividends and dividend equivalents, Awardee shall not have any rights as a holder of the shares of Stock underlying this Award including but not limited to voting rights.

(d) Until such time as RSUs have vested pursuant to the terms hereof, dividend equivalents shall be accrued with respect to each share of Stock underlying the RSUs such that, upon vesting of such RSUs, all dividend equivalents so accrued (without interest) shall be paid in cash to Awardee.

3. Termination of Employment or Other Business Relationship. If Awardee's employment by or other business relationship with the Company or a Subsidiary (as defined in the Plan) is terminated for any reason (whether with or without cause or due to death or disability of Awardee), Awardee's right in any RSUs that are not vested shall automatically terminate upon the effective date of such termination of employment or other business relationship with the Company and its Subsidiaries and such RSUs shall be cancelled as provided within the terms of the Plan and shall be of no further force and effect. In the event of such termination, the Company, as soon as practicable following the effective date of termination shall issue shares of Stock to Awardee (or Awardee's designated beneficiary or estate executor in the event of Awardee's death) with respect to any RSUs which, as of the effective date of termination, have vested but for which shares of Stock had not yet been issued to Awardee.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to Awardee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Award is available, during Awardee's lifetime, only to Awardee, and thereafter, only to Awardee's designated beneficiary.

6. Tax Withholding. Awardee shall, not later than the date as of which the Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Committee for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Awardee may elect to have the minimum tax withholding obligation satisfied, in whole or in part, by (i) authorizing the Company to withhold from shares of Stock to be issued, or (ii) transferring to the Company, a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum required tax withholding amount due.

7. Termination of Benefits under the SERP. Awardee hereby voluntarily relinquishes all accumulated and future rights and benefits under the SERP and forever releases and discharges the Company from and against any and all claims under the SERP.

8. Effect of Employment or Change of Control Agreement. If Awardee is a party to an employment or change of control agreement with the Company and any provisions set forth in such employment or change of control agreement conflict with the provisions set forth in this Restricted Stock Unit Award Agreement, the provisions set forth in such employment or change of control agreement shall override such conflicting provisions set forth herein.

9. Miscellaneous.

(a) Notice hereunder shall be given to the Company at its principal place of business, and shall be given to Awardee at the address set forth below, or in either case at such other address as one party may subsequently furnish to the other party in writing.

(b) This Award does not confer upon Awardee any rights with respect to continuance of employment by the Company or any Subsidiary.

(c) Pursuant to Section 14 of the Plan, the Committee may at any time amend or cancel any outstanding portion of this Award, but no such action may be taken which adversely affects Awardee’s rights under this Agreement without Awardee’s consent.

CIRCOR INTERNATIONAL, INC.

By: /s/ David A. Bloss Sr.
David A. Bloss Sr.
Title: Chairman

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Date: May 6, 2008

By: /s/ A. William Higgins
Name: A. William Higgins
Address:

PRESS RELEASE

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

CIRCOR Announces First Quarter Earnings of \$0.76 per share

- Earnings for quarter increase 74% on revenue growth of 9.5%
- Orders and ending backlog each climb 27% and 45% respectively, with strength in both segments compared to the first quarter 2007

Burlington, MA, April 30, 2008

CIRCOR International, Inc. (NYSE: CIR), a leading provider of valves and other fluid control devices for the instrumentation, aerospace, thermal fluid and energy markets, today announced results for the first quarter ended March 30, 2008.

Revenues for the 2008 first quarter were \$176.6 million, an increase of 9.5% from \$161.3 million for the first quarter 2007. Net income for the first quarter 2008 increased 74% to \$12.9 million, or \$0.76 per diluted share, compared to \$7.4 million, or \$0.45 per diluted share, for the 2007 first quarter.

The Company received orders totaling \$237.0 million during the first quarter 2008, an increase of 27% over \$186.8 million in orders in the first quarter of 2007 due to strength in naval, aerospace and energy markets, including both projects and distribution products, and a sequential increase of 39% over the fourth quarter of 2007. Backlog at March-end 2008 reached another record of \$452.0 million, up 45% over March-end 2007 backlog of \$311.2 million, and sequentially increasing 15% over the fourth quarter of 2007.

During the first quarter of 2008, the Company used \$5.4 million of free cash flow (defined as net cash from operating activities, less capital expenditures and dividends paid) due to investment in working capital to support its record backlog as of March 30, 2008.

Circor's Instrumentation and Thermal Fluid Controls Products segment revenues increased 9%, to \$88.5 million from \$81.3 million in the first quarter 2007, with 4% of the increase due to favorable currency adjustments. Incoming orders for this segment were \$111.2 million for the first quarter 2008, an increase of 31% from \$84.8 million in the first quarter 2007, which included large maritime orders as well as strong aerospace orders. Sequentially, this segment's orders grew 19% and ending backlog grew 17% to \$159.5 million. This segment's operating margin for the first quarter 2008 was 11.3% compared to 7.9% in the first quarter of 2007, and

8.3% in the fourth quarter of 2007. Compared to the first quarter of 2007 improvement primarily came from price, mix of shipments and productivity.

Circor's Energy Products segment revenues increased by \$8.2 million, or 10%, to \$88.1 million for the quarter ended March 30, 2008 compared to \$80.0 million in the quarter ended April 1, 2007. Higher foreign exchange rates, primarily the higher Euro, compared to the US dollar, accounted for \$7.2 million of the incremental revenue increase. Incoming orders for the quarter were \$125.9 million, an increase of 23% over \$102.1 million in the first quarter of 2007 and 63% sequentially with ending backlog totaling \$292.6 million, a 51% increase compared to \$194.3 million at the end of the first quarter 2007, and 15% sequentially. This segment's operating margin was 16.2% during the first quarter of 2008 compared to 12.7% for the first quarter of 2007 and 15.3% for the fourth quarter of 2007. The first quarter of 2008 benefited from high margins on some large international oil and gas projects as well as favorable currency impacts.

Bill Higgins, Circor's President and Chief Executive Officer, said, "Our first quarter results exceeded our expectations as a result of strong global markets, a great mix of shipments and margin expansion in both segments. Globally, our oil and gas markets have remained solid. Large project quotations continue at a high level and the North American short-cycle business orders rebounded with our backlog growing over the fourth quarter 2007. Meanwhile, orders for our Instrumentation and Thermal Fluid Controls Products were also strong especially in aerospace where the markets continue to look solid as well as maritime orders where we won some large naval related orders to be shipped in 2009 and 2010."

Mr. Higgins added, "The most notable area of improvement in the quarter was our healthy segment operating margins (which exclude corporate and special charge expenses) at 13.8% which was the highest since Circor became public at the end of 1999. Although we will still have quarters that are up and down, the focus on operational excellence and lean manufacturing over the past few years, leadership development, strong customer markets, favorable currency, as well as positive product and project mix all have contributed to the great results. "

Circor provided guidance for its second quarter 2008 results, indicating it expects earnings to be in the range of \$0.74 to \$0.83 per diluted share, excluding special charges. The guidance compares favorably to earnings in the second quarter 2007 of \$0.60 per diluted share.

CIRCOR International will hold a conference call to review its first quarter results tomorrow, May 1, 2008 at 1:00 p.m. ET. Interested parties may access the call by dialing (888)-244-2511 from the US and Canada and (913) 312-1418 from international locations. A replay of the call will be available from 4:00 pm ET on Thursday, May 1, 2008, through 4:00 pm ET on Thursday, May 8, 2008. To access the replay, interested parties should dial (888) 203-1112 or (719) 457-0820 and enter confirmation code #4902483 when prompted. The presentation slides that will be discussed in the conference call are expected to be available today, April 30, 2008, by 6:00 pm ET and may be downloaded from the quarterly earnings page of the investor section on the CIRCOR website at <http://www.circor.com/quarterlyearnings>. An audio recording of the conference call also is expected to be posted on the company's website by May 6, 2008.

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. 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, 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.

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

	Three Months Ended	
	March 30, 2008	April 1, 2007
Net revenues	\$ 176,575	\$ 161,263
Cost of revenues	121,686	116,471
GROSS PROFIT	54,889	44,792
Selling, general and administrative expenses	35,220	32,087
Special charges (income), net	160	691
OPERATING INCOME	19,509	12,014
Other (income) expense:		
Interest income	(202)	(53)
Interest expense	347	1,271
Other (income) expense, net	401	(97)
Total other expense	546	1,121
INCOME BEFORE INCOME TAXES	18,963	10,893
Provision for income taxes	6,068	3,486
NET INCOME	\$ 12,895	\$ 7,407
Earnings per common share:		
Basic	\$ 0.77	\$ 0.46
Diluted	\$ 0.76	\$ 0.45
Weighted average common shares outstanding:		
Basic	16,679	16,209
Diluted	16,872	16,533

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

	Three Months Ended	
	March 30, 2008	April 1, 2007
OPERATING ACTIVITIES		
Net income	\$ 12,895	\$ 7,407
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,874	2,808
Amortization	656	626
Compensation expense of stock-based plans	1,503	966
Tax effect of share based compensation	(1,171)	(711)
(Gain) Loss on sale of property, plant and equipment	(83)	31
Equity earnings and paid dividends of affiliate, net	—	(56)
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Trade accounts receivable	(6,858)	5,857
Inventories	(5,090)	(3,688)
Prepaid expenses and other assets	(3,477)	(6,123)
Accounts payable, accrued expenses and other liabilities	(3,138)	(10,161)
Net cash used in operating activities	(1,889)	(3,044)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,851)	(1,776)
Proceeds from disposal or sale of property, plant and equipment	94	341
Proceeds from sale of investments	5,451	—
Net cash provided by (used in) investing activities	2,694	(1,435)
FINANCING ACTIVITIES		
Proceeds from debt borrowings	16,500	25,244
Payments of debt	(13,606)	(23,576)
Dividends paid	(626)	(609)
Proceeds from the exercise of stock options	2,115	965
Tax effect of share based compensation	1,171	711
Net cash provided by financing activities	5,554	2,735
Effect of exchange rate changes on cash and cash equivalents	1,669	142
INCREASE IN CASH AND CASH EQUIVALENTS	8,028	(1,602)
Cash and cash equivalents at beginning of year	34,662	28,652
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 42,690	\$ 27,050

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

	<u>March 30, 2008</u>	<u>Dec 31, 2007</u>
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 42,690	\$ 34,662
Investments	4,036	8,861
Trade accounts receivable, less allowance for doubtful accounts of \$ 2,238 and \$2,151, respectively	137,295	125,663
Inventories	182,601	171,661
Prepaid expenses and other current assets	7,406	3,990
Insurance receivable	7,131	6,885
Deferred income taxes	8,979	8,220
Assets held for sale	312	312
Total Current Assets	<u>390,450</u>	<u>360,254</u>
Property, Plant and Equipment, net	84,713	82,465
Other Assets:		
Goodwill	181,732	169,110
Intangibles, net	47,097	47,373
Non current insurance receivable	5,014	5,014
Other assets	907	12,253
Total Assets	<u>\$ 709,913</u>	<u>\$ 676,469</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 83,961	\$ 82,038
Accrued expenses and other current liabilities	77,079	72,481
Accrued compensation and benefits	18,068	21,498
Asbestos liability	10,038	9,697
Income taxes payable	8,930	7,900
Notes payable and current portion of long-term debt	232	201
Total Current Liabilities	<u>198,308</u>	<u>193,815</u>
Long-Term Debt, net of current portion	24,785	21,901
Deferred Income Taxes	20,065	19,106
Long term asbestos liability	7,062	7,062
Other Non-Current Liabilities	13,314	14,201
Shareholders' Equity:		
Preferred stock, \$.01 par value; 1,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$.01 par value; 29,000,000 shares authorized; and 16,816,007 and 16,650,407 issued and outstanding, respectively	168	167
Additional paid-in capital	245,967	240,000
Retained earnings	156,913	144,644
Accumulated other comprehensive income	43,331	35,573
Total Shareholders' Equity	<u>446,379</u>	<u>420,384</u>
Total Liabilities and Shareholders' Equity	<u>\$ 709,913</u>	<u>\$ 676,469</u>

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

	Three Months Ended	
	March 30, 2008	April 1, 2007
ORDERS		
Instrumentation & Thermal Fluid Controls	\$ 111,166	\$ 84,771
Energy Products	125,860	102,071
Total orders	<u>\$ 237,026</u>	<u>\$ 186,842</u>
	March 30, 2008	April 1, 2007
BACKLOG		
Instrumentation & Thermal Fluid Controls	\$ 159,468	\$ 116,910
Energy Products	292,575	194,339
Total backlog	<u>\$ 452,043</u>	<u>\$ 311,249</u>

Note: Backlog includes all unshipped customer orders.

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

	2007			2008		
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	Full Year	1ST QTR
NET REVENUES						
Instrumentation & Thermal Fluid Controls (TFC)	\$ 81,296	\$ 85,740	\$ 85,094	\$ 91,466	\$343,596	\$ 88,450
Energy Products	79,967	80,197	78,923	83,057	322,144	88,125
Total	161,263	165,937	164,017	174,523	665,740	176,575
OPERATING MARGIN						
Instrumentation & TFC	7.9%	8.7%	7.1%	8.3%	8.0%	11.3%
Energy Products	12.7%	16.3%	17.4%	15.3%	15.4%	16.2%
Segment operating margin	10.3%	12.4%	12.1%	11.6%	11.6%	13.8%
Corporate expenses	-2.4%	-2.4%	-3.0%	-2.9%	-2.7%	-2.6%
Special charges	-0.4%	-0.4%	-1.3%	0.5%	-0.4%	-0.1%
Total operating margin	7.4%	9.5%	7.8%	9.3%	8.5%	11.0%
OPERATING INCOME						
Instrumentation & TFC (excl. special & unusual charges)	6,433	7,438	6,076	7,589	27,536	9,994
Energy Products (excl. special & unusual charges)	10,125	13,063	13,745	12,675	49,608	14,303
Segment operating income (excl. special & unusual charges)	16,558	20,501	19,821	20,264	77,144	24,297
Corporate expenses (excl. special & unusual charges)	(3,853)	(4,056)	(4,942)	(5,012)	(17,863)	(4,628)
Special (charges) income, net	(691)	(615)	(2,130)	922	(2,514)	(160)
Total operating income	12,014	15,830	12,749	16,174	56,767	19,509
INTEREST EXPENSE, NET	(1,218)	(884)	(744)	(155)	(3,001)	(145)
OTHER (EXPENSE) INCOME, NET	97	(215)	1,508	(133)	1,257	(401)
PRETAX INCOME	10,893	14,731	13,513	15,886	55,023	18,963
PROVISION FOR INCOME TAXES	(3,486)	(4,713)	(3,148)	(5,765)	(17,112)	(6,068)
EFFECTIVE TAX RATE	32.0%	32.0%	23.3%	36.3%	31.1%	32.0%
NET INCOME	\$ 7,407	\$ 10,018	\$ 10,365	\$ 10,121	\$ 37,911	\$ 12,895
Weighted Average Common Shares Outstanding (Diluted)	16,533	16,679	16,768	16,925	16,730	16,872
EARNINGS PER COMMON SHARE (Diluted)	\$ 0.45	\$ 0.60	\$ 0.62	\$ 0.60	\$ 2.27	\$ 0.76
EBIT	\$ 12,111	\$ 15,615	\$ 14,257	\$ 16,041	\$ 58,024	\$ 19,108
Depreciation	2,808	2,812	2,662	2,588	10,870	2,874
Amortization of intangibles	626	632	659	662	2,579	656
EBITDA	\$ 15,545	\$ 19,059	\$ 17,578	\$ 19,291	\$ 71,473	\$ 22,638
EBITDA AS A PERCENT OF SALES	9.6%	11.5%	10.7%	11.1%	10.7%	12.8%
CAPITAL EXPENDITURES	\$ 1,776	\$ 2,266	\$ 2,844	\$ 5,097	\$ 11,983	\$ 2,851

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

	2007					2008
	1ST QTR	2ND QTR	3RD QTR	4TH QTR	Full Year	1ST QTR
FREE CASH FLOW [NET CASH FLOW FROM OPERATING ACTIVITIES LESS CAPITAL EXPENDITURES LESS DIVIDENDS PAID]	\$ (5,429)	\$ 5,439	\$ 11,470	\$ 30,989	\$ 42,469	\$ (5,366)
ADD: Capital expenditures	1,776	2,266	2,844	5,097	11,983	2,851
Dividends paid	609	614	617	624	2,464	626
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (3,044)	\$ 8,319	\$ 14,931	\$ 36,710	\$ 56,916	\$ (1,889)
NET (CASH) DEBT [TOTAL DEBT LESS CASH & CASH EQUIVALENTS LESS INVESTMENTS]	\$ 39,366	\$ 29,848	\$ 11,815	\$ (21,421)	\$ (21,421)	\$ (21,709)
ADD: Cash & cash equivalents	27,050	25,281	30,174	34,662	34,662	42,690
Investments	87	94	100	8,861	8,861	4,036
TOTAL DEBT	\$ 66,503	\$ 55,223	\$ 42,089	\$ 22,102	\$ 22,102	\$ 25,017
NET DEBT AS % OF NET CAPITALIZATION	10%	7%	3%	-5%	-5%	-5%
NET CAPITALIZATION [TOTAL DEBT PLUS SHAREHOLDERS' EQUITY LESS CASH & CASH EQUIVALENTS, LESS INVESTMENTS]	\$ 408,944	\$ 415,386	\$ 420,951	\$ 398,963	\$ 398,963	\$ 424,670
LESS: Total debt	(66,503)	(55,223)	(42,089)	(22,102)	(22,102)	(25,017)
ADD: Cash & cash equivalents	27,050	25,281	30,174	34,662	34,662	42,690
Investments	87	94	100	8,861	8,861	4,036
TOTAL SHAREHOLDERS' EQUITY	369,578	385,538	409,136	420,384	420,384	446,379
ADD: Total debt	66,503	55,223	42,089	22,102	22,102	25,017
TOTAL CAPITAL	\$ 436,081	\$ 440,761	\$ 451,225	\$ 442,486	\$ 442,486	\$ 471,396
TOTAL DEBT / TOTAL CAPITAL	15%	13%	9%	5%	5%	5%
EBIT [NET INCOME LESS INTEREST EXPENSE, NET LESS TAXES]	\$ 12,111	\$ 15,615	\$ 14,257	\$ 16,041	\$ 58,024	\$ 19,108
LESS: Interest expense, net	(1,218)	(884)	(744)	(155)	(3,001)	(145)
Provision for income taxes	(3,486)	(4,713)	(3,148)	(5,765)	(17,112)	(6,068)
NET INCOME	\$ 7,407	\$ 10,018	\$ 10,365	\$ 10,121	\$ 37,911	\$ 12,895
EBITDA [NET INCOME LESS INTEREST EXPENSE, NET LESS DEPRECIATION LESS AMORTIZATION LESS TAXES]	\$ 15,545	\$ 19,059	\$ 17,578	\$ 19,291	\$ 71,473	\$ 22,638
LESS:						
Interest expense, net	(1,218)	(884)	(744)	(155)	(3,001)	(145)
Depreciation	(2,808)	(2,812)	(2,662)	(2,588)	(10,870)	(2,874)
Amortization of intangibles	(626)	(632)	(659)	(662)	(2,579)	(656)
Provision for income taxes	(3,486)	(4,713)	(3,148)	(5,765)	(17,112)	(6,068)
NET INCOME	\$ 7,407	\$ 10,018	\$ 10,365	\$ 10,121	\$ 37,911	\$ 12,895