



Third Quarter 2008

Investor Review

October 29, 2008

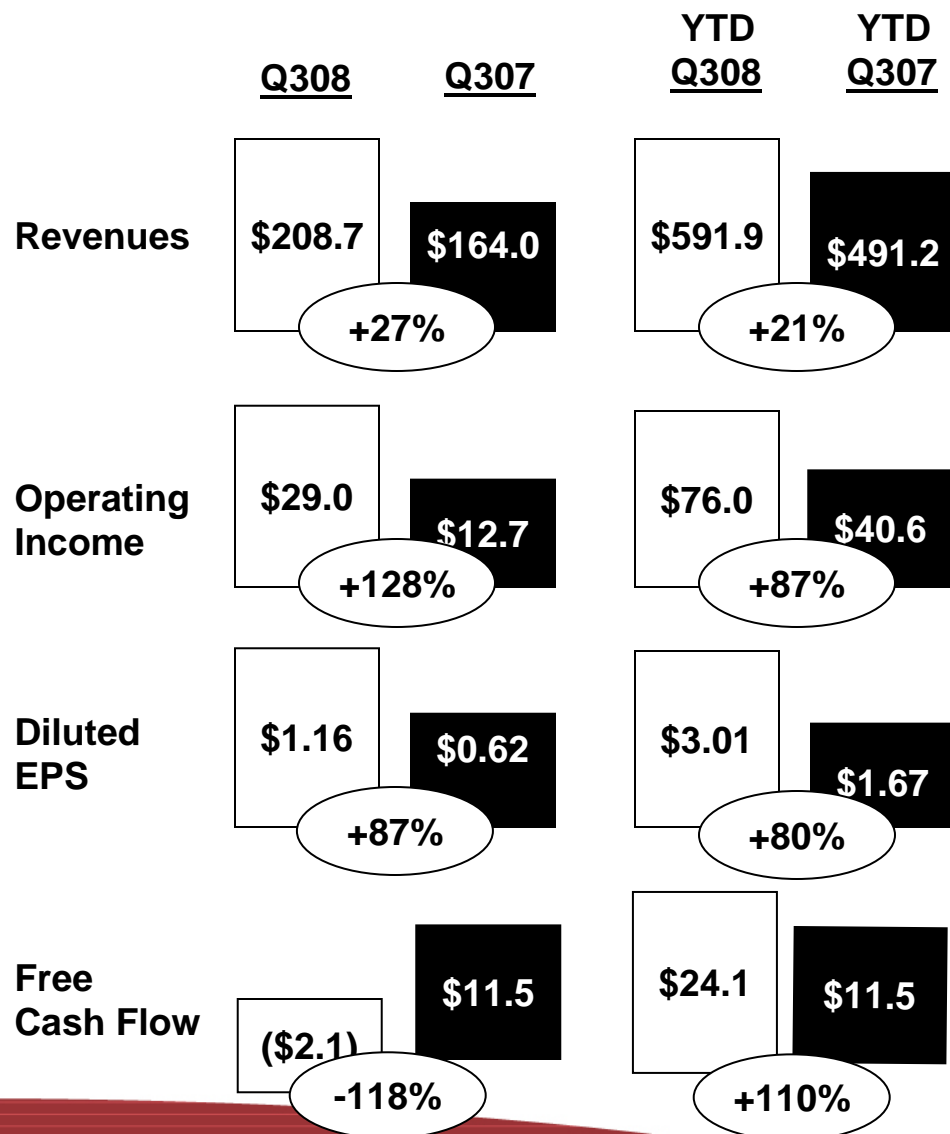


FORWARD LOOKING STATEMENT

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Reliance should not be placed on forward-looking statements because they involve unknown risks, uncertainties and other factors, which are, in some cases, beyond the control of CIRCOR. 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.

Financial Results



Unless otherwise noted, comments refer to quarter performance

◆ Revenues

- Instrum & TFC Segment up 12% excl FX
- Energy Segment up 35% excl FX
- FX impact +4%
- YTD organic 15%, FX 6%

◆ Operating Income

- Record Operating Margin at 13.9%
- Instrum & TFC Segment achieved 8% margin; 80 basis improvement Q308 v. Q307
- Energy Segment achieved 23%; 580 basis margin improvement Q308 v Q307
- FX impact +12%

◆ EPS

- Extremely favorable: strong Q308 performance in both segments partially offset by increased asbestos related expenses
- FX impact +11%

◆ FCF

- Significant YTD improvement from 2007 with increased profitability offset partially by working capital to support 21% sales growth

FCF = Cash from Operations less Capital Expenditures less Dividends paid

Net Income / EPS

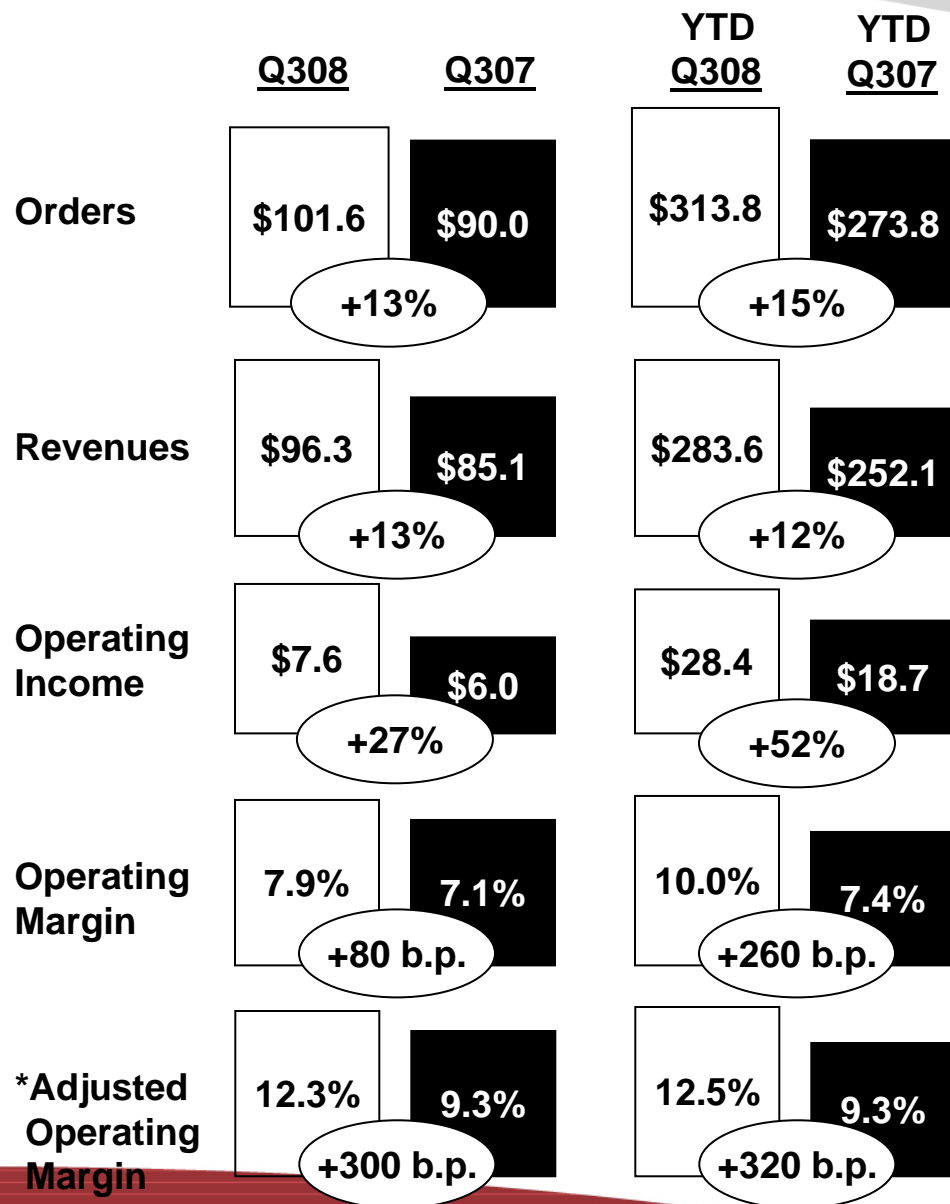
	<u>Q308</u>	<u>Q307</u>	<u>Var</u>	<u>YTD</u> <u>Q308</u>	<u>YTD</u> <u>Q307</u>	<u>Var</u>
Segments' Operating income excluding asbestos-related costs *	\$37.8	\$ 21.6	\$16.2	\$ 97.6	\$ 60.3	\$ 37.3
Current period asbestos-related costs *	(3.8)	(1.9)	(1.9)	(6.9)	(3.9)	(3.0)
Special charges	-	(2.1)	2.1	(0.2)	(3.4)	3.2
Corporate Expenses	(5.0)	(4.9)	(0.1)	(14.5)	(12.4)	(2.1)
Operating income	29.0	12.7	16.3	76.0	40.6	35.4
Net interest	0.2	(0.7)	0.9	-	(2.8)	2.8
Other (exp) income; i.e. FX	-	1.5	(1.5)	(0.6)	1.4	(2.0)
Income taxes	(9.4)	(3.1)	(6.3)	(24.3)	(11.3)	(13.0)
Net income	19.8	10.4	9.4	51.1	27.8	23.2
Diluted shares (000's)	17,068	16,768	300	17,000	16,660	340
EPS	\$1.16	\$0.90	\$0.26	\$3.01	\$1.67	\$1.34

* Asbestos-related costs are attributable to the Instrum & TFC Segment's Leslie Controls subsidiary.

Cash Flow – First Nine Months

(In millions)	<u>2008</u>	<u>2007</u>
Net Income	\$ 51.1	\$ 27.8
Depreciation	8.9	8.3
Amortization	2.0	1.9
Compensation expense of stock-based plans net of tax effect	1.0	1.2
Working Capital	(26.7)	(18.0)
Other	<u>(0.1)</u>	<u>(1.0)</u>
Cash Flow from Operations	36.2	20.2
Capital Expenditures	(10.2)	(6.9)
Dividends	<u>(1.9)</u>	<u>(1.8)</u>
Free Cash Flow	<u><u>24.1</u></u>	<u><u>11.5</u></u>

Instrumentation & Thermal Fluid Segment



Unless otherwise noted, comments refer to quarter performance

◆ Orders

- Growth for Q3 and YTD across all product groups Thermal Fluids, Instrumentation and Aerospace

◆ Revenues

- Aerospace, sampling and general industrial markets contributed
- FX impact 1% Q3 and 3% YTD

◆ Operating Income & Margin

- Asbestos related expenses in the quarter increased \$2.0M, primarily due to changes in insurance coverage.
- YTD '07 included \$1.2 million in special charges for US facility consolidation

◆ Adjusted Operating Margin

- Adjusted Operating Profit Margins were 12.3% up 300 basis points YOY in Q3 and 12.5% YTD Q3 up 320 basis points

*Adjusted Operating Margin = Operating Margin excluding special charges and asbestos related expenses

Energy Products Segment

	<u>Q308</u>	<u>Q307</u>	<u>YTD Q308</u>	<u>YTD Q307</u>
Orders	\$62.7	\$96.0	\$285.4	\$327.4
	-35%		-13%	
Revenues	\$112.4	\$78.9	\$308.2	\$239.1
	+42%		+29%	
Operating Income	\$26.0	\$13.7	\$62.3	\$36.9
	+90%		+70%	
Operating Margin	23.2%	17.4%	20.2%	15.4%
	+ 580 b.p.		+480 b.p.	
*Adjusted Operating Margin	23.2%	17.4%	20.2%	15.4%
	+ 580 b.p.		+480 b.p.	

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◆ Orders

- Q3 decline 15% from currency revaluation of backlog
- Remaining decline primarily from selective quoting for large Middle East projects to alleviate past due deliveries caused by supply chain capacity constraints
- North American Distribution products had strong order rate

◆ Revenues

- Q3 saw strength across the board
- FX impact 7% Q3 and 9% YTD

◆ Operating Income & Margin

- Outstanding quarter driven by volume, mix, higher margins on certain large projects and favorable FX partially offset by material price increases and China FX

*Adjusted Operating Margin = Operating Margin excluding special charges and asbestos related expenses

2008 Business Assumptions

Outlook

Revenue Growth: (excluding FX)

Instrumentation & TFC

approx 9% to 10%

Energy

approx 20% to 21%

Adjusted Operating Margin:

Instrumentation & TFC (excl special & asbestos charges)

10% to 12%

Energy (excl special charges)

19% to 20%

Corporate Expenses

approx \$20 to \$21M

Effective Income Tax rate

31.5%

Cash Flow from Operations

approx \$60M to \$70M

Capex

approx \$14M

4th Quarter EPS Before Special Charges

\$0.82 to \$0.94

(includes \$0.09 reduction due to recent FX devaluation)

Expected Next Earnings Conference Call with Investors: February 26, 2009

Q & A Session

Third Quarter Earnings