CIRCOR International, Inc. (NYSE: CIR) is a worldwide provider of valves and other highly engineered products that enable the safe and efficient performance of fluid and other critical systems in the energy, instrumentation, fluid regulation and aerospace markets. CIRCOR is a member of Standard & Poor’s S&P SmallCap 600 Index.

Selected Financial Data

Dollars in thousands, except per share amounts

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>$381,834</td>
<td>$450,531</td>
<td>$591,711</td>
<td>$665,740</td>
<td>$793,816</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>107,569</td>
<td>132,675</td>
<td>172,908</td>
<td>195,367</td>
<td>252,297</td>
</tr>
<tr>
<td>Net Income</td>
<td>11,803</td>
<td>20,383</td>
<td>29,328</td>
<td>37,911</td>
<td>(59,015)</td>
</tr>
<tr>
<td>Earnings Per Share (Diluted)</td>
<td>$ 0.74</td>
<td>$ 1.27</td>
<td>$ 1.80</td>
<td>$ 2.27</td>
<td>(3.51)</td>
</tr>
</tbody>
</table>

Operating Income          | 21,924   | 33,005   | 47,510   | 56,767   | (40,628) |
Add: Asbestos             | 789      | 932      | 2,351    | 7,534    | 8,311    |
Add: Special Charges      | 303      | 1,630    | 678      | 2,514    | 141,457  |
Adjusted Operating Income  | 23,026   | 35,567   | 50,539   | 66,815   | 109,140  |

Total Assets              | 428,418  | 460,380  | 605,675  | 676,469  | 588,023  |

Cash and Cash Equivalents | 58,653   | 31,112   | 28,652   | 34,662   | 47,473   |
Add: Investments          | 4,155    | 86       | 86       | 8,861    | 34,872   |
Less: Total Debt          | 42,880   | 33,491   | 64,826   | 22,102   | 13,150   |
Net (Debt) Cash           | 19,928   | (2,293)  | (36,088) | 21,421   | 69,195   |

Cash Flow from Operating Activities | 29,249 | 45,326 | 29,858 | 56,916 | 64,818 |
Less: Capital Spending    | 5,287    | 15,021   | 9,933    | 11,983   | 14,972   |
Less: Dividends Paid      | 2,303    | 2,358    | 2,395    | 2,464    | 2,523    |
Free Cash Flow            | 21,659   | 27,947   | 17,530   | 42,469   | 47,323   |

1 During 2008, special charges included $141.5 million primarily related to Goodwill and Intangible Asset Impairments. These 2008 Special Charges resulted in a $129.2 million reduction in Net Income and a $7.64 reduction of Earnings Per Share.
2 These non-GAAP measures are provided for investors who use such additional measures of operating performance, liquidity and leverage. Net (Debt) Cash is Cash and Cash Equivalents plus Investments minus Total Debt. Free Cash Flow is Cash Flow from Operating Activities less Capital Spending and Dividends Paid. Adjusted Operating Income is Operating Income excluding Asbestos and Special Charges.
3 Please see the Company’s Consolidated Statements of Cash Flows contained in the Form 10-K included in the Annual Report.

Comparison of 5 Year Cumulative Total Return*
Among CIRCOR International, Inc., The S&P 500 Index and A Peer Group

Dollars in hundreds    2003  2004  2005  2006  2007  2008
CIRCOR International, Inc. 100.00 96.83 107.92 155.52 196.72 117.13
S&P 500                      100.00 110.88 116.33 134.70 142.10 89.53
Peer Group*                 100.00 127.23 133.35 165.00 227.55 136.30


* $100 invested on 12/31/03 in stock & index-including reinvestment of dividends.
Fiscal year ending December 31.
2008 Was a Record Year for CIRCOR International

CIRCOR’s 2008 performance was a success, judging both by financial results that well exceeded our expectations, as well as by the execution of our continuous improvement strategy.

Revenues were up by 19% to a record high of $793.8 million for 2008 and adjusted operating margins which exclude asbestos and special charges also hit record levels. We continue to have a very strong balance sheet after generating $47.3 million of free cash flow, and ended the year with 4% total debt-to-equity and $82.3 million of cash, cash equivalents and short-term investments.

Performance by Segment

CIRCOR’s Energy Products segment revenues increased 29% to $415.7 million for the year compared with $322.2 million in 2007. Demand across the Energy segment, including large international oil and gas projects, standard products sold through distributors and fabricated systems in North America, drove revenue growth for 2008.

Revenues for our Instrumentation and Thermal Fluid Controls Products segment increased 10% to $378.1 million for the year compared with $343.6 million in 2007. We saw strength in most areas of this business, including aerospace, general industrial, energy and international HVAC markets. We completed one acquisition in 2008—Dayton, Ohio-based, Motor Technology, Inc., a specialized manufacturer of electric motors and electromechanical equipment for the aerospace end-market. The acquisition of Motor Technology was immediately accretive to earnings and was successfully integrated into our Aerospace Products Group.

Adjusted operating margins expanded in both segments during 2008.

Executing on the Company’s Mission

We achieved these outstanding financial results for CIRCOR through our continued focus on improving the Company’s “People and Process.” We did so by following the “CIRCOR Business System,” a set of well-defined principles and objectives that guide our management of the Company. Through this systemic approach, CIRCOR has been undertaking a major Company-wide transformation. The results of this transformation in 2008 are demonstrated by our top and adjusted bottom-line financial results.

The CIRCOR Business System starts with our customer focus, where we take pride in producing the highest-quality engineered products and solutions with demonstrated reliability, safety and quality. We also have steadily improved our execution by building stronger teams and efficient processes through the Company-wide adoption of a Lean operating enterprise approach on the factory floor and in the front office. Most importantly, we are creating a continuous improvement culture that drives our vision, strategy, planning, people and processes.
Multi-Pronged Growth Strategy

CIRCOR’s strategy includes plans to grow revenues both organically and through acquisitions. With the price of acquisitions becoming excessively high during 2007 and 2008, we focused our time and resources on improving the fundamentals of our operations and accelerating organic growth. For example, we developed new products and introduced new subsystems for specific customer needs while maintaining our established leadership position in component design and manufacturing.

While valuations slowed our pace of acquisitions in 2008, we are continuously on the lookout for two types of companies. The first would be smaller tuck-in companies that would add a technology or complementary product line, be integrated quickly and become accretive in the first year. We also consider strategic purchases that would significantly expand our presence in an existing market or move us into a new market, particularly where we could integrate our component know-how to provide highly engineered subsystems.

In addition to acquisitions, we also see an opportunity to achieve growth through a broadened international presence. For example, we are investing in the development of global supply chains in countries like China and India to build a base for future operations. We have a leading position in North America and Europe, and have only just begun to expand in Asia and other emerging regions.

Ready for the Challenges of 2009

We expect 2009 to be a challenging year, as the global economic slowdown, lower oil prices and capital investment constraints affect our customers and global end-market growth. However, we are confident that we begin 2009 a stronger company than at any time in our history. We have a top-notch management team and employees dedicated to continuous improvement; we have honed a passion and capability for Lean, driving costs down and improving factory execution; and we have limited debt and a healthy balance sheet we can put to work.

We firmly believe that continued implementation of our “CIRCOR Business System” will yield a sustainable, competitive advantage with improved stakeholder value for investors, customers, employees, suppliers and the communities in which we operate.

The transformation of CIRCOR is still early in maturity, yet the results we have achieved demonstrate we have a stronger foundation from which to weather a recessionary storm, continue to improve, and emerge a stronger Company.

A. William Higgins
Chairman, President
and Chief Executive Officer

Frederic M. Burditt
Vice President,
Chief Financial Officer
and Treasurer
### End Markets Served

#### Energy
- **Brands**
  - Pibiviesse
  - KF Industries
  - KF Contromatics
  - Hydroseal Valve
  - Mallard Control
  - Sagebrush Pipeline Equipment
  - Suzhou KF Valve Co.
- **Products**
  - Flanged-end and threaded-end floating and trunnion ball valves; needle valves; check valves; butterfly valves; large forged steel ball valves; gate valves; control valves; relief valves; pressure regulators; pipeline measurement and pipeline closures
- **Markets**
  - Oil and natural gas production and distribution; gas pipeline transmission; chemical processing and general industrial applications
- **Locations**
  - Oklahoma City, OK
  - Alberta, Canada
  - Milan, Italy
  - Sapulpa, OK
  - Suzhou, China

#### Aerospace
- **Brands**
  - Aerodyne Controls
  - Circle Seal Controls
  - Loud Engineering
  - Industria
  - Atkomatic Valve
  - Motor Technology
  - Survival Engineering
  - U.S. Para Plate
  - Bodet Aero
  - Atlas Productions
- **Products**
  - Landing gear systems and related components; solenoid valves and components; electromechanical actuation and controls; hydraulic and pneumatic components; specialty electronic motors and actuators
- **Markets**
  - Military and commercial aerospace; fixed wing and rotary aircraft; space vehicles; OEM and after market; other military applications; and medical applications
- **Locations**
  - Corona, CA
  - Ronkonkoma, NY
  - Paris, France
  - Dayton, OH
  - Chemille, France
  - Tangiers, Morocco

#### Thermal Fluid Controls
- **Brands**
  - Hale Hamilton
  - Leslie Controls
  - Nicholson Steam Trap
  - Spence Engineering
  - RTK
  - CPC-Cryolab
  - Rockwood Swendeman
  - Cambridge Fluid Systems
- **Products**
  - Steam valve components; safety and relief valves; strainers; control valves; regulators and actuators; and gas control manifolds
- **Markets**
  - Municipal and institutional steam heating and air-conditioning applications; power plants; commercial and military maritime applications; industrial gas and high technology industrial markets
- **Locations**
  - Tampa, FL
  - Cambridge, United Kingdom
  - Uxbridge, United Kingdom
  - Kornwestheim, Germany
  - Walden, NY

#### Instrumentation
- **Brands**
  - Hoke
  - GO Regulator
  - Gyrolok
  - CircorTech
  - Dopak Sampling Systems
  - Tamco Quick Couplers
  - Texas Sampling
- **Products**
  - High precision valves and related components; miniature instrumentation valves; quick connect and disconnect couplers; and analytical sampling systems
- **Markets**
  - General industrial; analytical instrumentation; compressed natural gas; chemical processing; steam conductors; petrochemical; biotech; pharmaceutical; and food and beverage industries
- **Locations**
  - Spartanburg, SC
  - Uxbridge, United Kingdom
  - Houston, TX
  - Victoria, TX
  - Bergschenhoek, The Netherlands

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**A Worldwide Presence**

[Map of the world showing locations of operations]
We are taking Lean to the next level through development of “Model Lines.” Here, the new Lean model line at KF Industries has significantly improved speed to market, asset velocity and productivity.

**Breadth and Depth in Global Gas and Oil Markets**

Circor’s Energy Products Group designs, manufactures and distributes valves, pressure regulators, pipeline flow measurement systems and pipeline closures for oil, gas, chemical processing and industrial applications. Our products are used offshore and onshore, in energy exploration, production and distribution, in pipeline construction and maintenance, and in LNG processing and terminal applications around the world.

Energy Products are manufactured in the United States, Italy and China and are sold globally under product brand names that are well known and respected within the industry, including KF Industries, Contromatics, Pivivesse, Mallard Control, Hydroseal and Sagebrush.

With approximately 70 percent of Energy revenues from natural gas markets and the remaining 30 percent from oil, the Energy Products Group accounted for $415.7 million, or 52 percent, of CIRCOR’s overall net revenues in 2008.

**ENERGY DIVISION END MARKET DIVERSIFICATION**

- 77% Oil & Gas Upstream
- 19% Oil & Gas Midstream & Downstream
- 2% Process
- 2% Chemical Processing
- <1% Power Generation
- <1% HVAC
Pibiviesse is a world leader in high performance on/off and control valves. Meeting highest quality standards, Pibiviesse valves operate at higher pressures, higher temperatures and handle increasingly corrosive fluids.

Sagebrush Pipeline Equipment, acquired in 2006, is a new growth area for Energy Products. Sagebrush designs and supplies fabrication and support services for turnkey pipeline metering systems.

**A Leader in Standard and Specialized Applications**

Circor brings a number of competitive strengths to the oil and gas markets. In North America, we benefit from long-time associations and strong brand recognition with Tier 1 distributors to whom we provide a full portfolio of standard valve products. We also have excellent relationships with global customers in offshore and onshore natural gas development and transmission who demand a more highly-engineered project solution. This is supported by reliable products at a competitive price through low-cost manufacturing of a broad range of standard products at our Suzhou KF Valve Co., Ltd. plant in China.

Our Italian company, Pibiviesse, benefitted in 2008 from continued strong demand from engineering, procurement and construction companies for upstream and midstream on/off valves for large gas and oil projects in the Middle East. The specialty valves we produce for these markets meet the needs of the most challenging applications, including extreme pressure and temperature, size and complex metallurgy.
Circor’s Instrumentation and Thermal Fluid Controls Segment accounted for $378.1 million, or 48 percent, of our net revenues in 2008. The three Groups in this segment are Aerospace, Thermal Fluid Controls and Instrumentation.

**Aerospace**

**Products for Critical Applications**

Through continued investment in the Aerospace segment of our business, Circor has achieved a desirable balance between commercial and military customers, fixed-wing and rotary-wing aircraft, and OEM and aftermarket products and services.

For military markets, we sell valves, components and landing gear systems for military combat and transport aircraft, helicopters, missiles, tracked vehicles and ships. Our products are used on commercial, commuter and business aircraft, space launch vehicles, space shuttles and satellites. In addition, we serve the support infrastructure of aircraft operators with maintenance, repair and overhaul services and aftermarket parts and equipment.

Our primary Aerospace brands are Circle Seal Controls, which produces aerospace valves and controls; Loud Engineering and Manufacturing, which designs and manufactures landing gear systems for military aircraft; Aerodyne Controls, serving aerospace markets with specialty pneumatic controls systems and components; Motor Tech, which provides fractional horsepower DC motors, gear motors and brake motors for aerospace and transportation markets; and Industria and Bodet Aero, French businesses that provide access to European aerospace markets with an assortment of controls, solenoids, valves, switches and actuation systems.

**New Products and New Platforms**

In May 2008, Circor acquired Motor Technology, a leader for more than 25 years in the design and manufacture of fractional horsepower DC motors, gear motors and brake motors. Motor Technology’s products can be found on the Boeing family of commercial aircraft, the F/A-22 Raptor and the F-35 Joint Strike Fighter.
Our mission is to provide global customers engineered products and solutions with demonstrated reliability, safety and quality, built on a foundation of manufacturing and operational excellence.

### Moving Up the Value Chain

The Company has a very strong Thermal Fluid Controls franchise in steam valve products, which are used in municipal and institutional steam heating and air-conditioning applications, power plants, and industrial and food processing markets. We also make specialized fluid control systems for commercial and naval vessels and fueling stations for compressed natural gas-powered vehicles.

Thermal Fluid Controls has developed a long-term strategy to provide broader customer solutions and achieve growth in higher-value products by migrating from component products to system and sub-system solutions. This initiative is being accomplished through focused product development, strategic partnerships and synergistic acquisitions.

An important goal of this business has been international expansion, including higher sales in Latin America, the Middle East, China and India. We have improved our sales and supply chain organization structure, and increased outsourcing to lower-cost regions to serve these markets.

### Instrumentation

**Managing Rapid Change**

Within Instrumentation, we design, manufacture and distribute valves, regulators, fittings, control manifolds and other devices for diverse end uses. Through investment in technology and product development, Circor has been expanding into more highly engineered process sampling, conditioning and analytical sub-systems markets, serving sophisticated process customers in the chemical, petrochemical, pharmaceutical and biotechnology industries.

Instrumentation products has been impacted by higher raw material prices and increased competition, requiring the Company to adopt aggressive programs of cost control and operational improvement, including outsourcing to lower-cost producers, combining facilities and Lean manufacturing approaches. Through the efforts of an upgraded and dedicated management organization, we made substantial progress in these areas during 2008.
CIRCOR began building a culture of continuous improvement and operational excellence in 2005 through a large-scale program to implement Lean manufacturing and Six Sigma. We initially focused on major North American sites and eventually expanded our Lean program across the entire CIRCOR enterprise. In the first few years, our goal was twofold: First, develop a talented leadership engine to take CIRCOR to higher levels of operational performance; and, second, teach employees how to continually improve their work processes. We refer to this as the “People and Process” stage of our transformation.

As we progressed, we recruited and trained people who could manage in a continuous improvement culture. The results have been highly visible: We have shortened lead times and improved delivery performance to customers; we have freed up factory space enabling facility consolidations and cost savings; and we have improved the quality of our products and the work environment for our employees.

In 2008, we embarked on the next level of Lean by developing “model lines” at a few of our larger sites that will become our benchmarks. The goal is to redesign the entire product stream, from suppliers to customers, for breakthrough performance and efficiency. We are training employees on these “model lines,” and demonstrating how the process works and how it can become a standard approach for highly efficient and systematic production. Moreover, through the “model line” concept, we are applying the techniques to non-manufacturing processes as well, improving administrative and supply chain processes to significantly enhance our competitive advantage and take market share.

**Facility Consolidations**

One of the benefits of Lean is reducing the amount of manufacturing space required for production. This enables significant fixed cost reductions through facility consolidation. In Corona, California, multiple Aerospace buildings have been consolidated into one, with Lean flow design delivering higher productivity, lower costs and improved performance for customers.
When CIRCOR began to implement Lean manufacturing techniques Company-wide, we realized that success would involve more than hands-on improvements at the job and process levels. To run a company in an environment of continuous improvement would require us to transform our culture and develop and recruit talent to operate CIRCOR at a much higher level of performance.

Beginning in 2005, we conducted an in-depth assessment of our people and processes to discover whether we had the leadership in place to take the Company to the next level and change the culture as well as the processes. Working with human resources management, we created a plan to develop and hire world-class talent needed for the future. This included a strict definition of the personal characteristics that would be required, and a hiring plan to bring in people who had experience with change management and driving successful Lean transformation.

We were successful in recruiting skilled operational leaders from world-class companies who had contributed to a fact-based, high performance work culture.

Talent acquisition, development and retention are now an integral part of our CIRCOR Business System and have positioned us for future success.

The most important benefit of our Lean implementation across CIRCOR is developing our employees. The KAIZEN approach engages people in the change process. It is inclusive, fosters communication, and teaches people how to solve problems, making CIRCOR a better place to work.
CIRCOR has demonstrated a competency in acquisition, integration and facility repositioning. We take a conservative approach, which during the past two years has resulted in only a few small acquisitions due to high valuations in the marketplace.

During 2008, we acquired Dayton, Ohio-based Motor Technology, Inc., a specialized manufacturer of electric motors and electromechanical equipment for aerospace, defense, medical and transportation markets. The purchase added electronic technology to our portfolio that is critical to our ability to develop new electric subsystems for aircraft. We have successfully integrated the company into our Aerospace group and deployed in-house Lean expertise for factory transformation.

CIRCOR continues to examine acquisition opportunities, with plans to use our financial strength and nearly debt-free balance sheet to acquire businesses that will meet our growth objectives.

GROWTH THROUGH ACQUISITIONS

CIRCOR has been reinvesting resources freed up through Lean activities in new product development. The focus of these R&D efforts in 2008 was leveraging our core competencies in component design and manufacturing to move up the value chain by developing mission-critical subsystems that integrate our products into higher-value solutions for customers.

New product development initiatives include increasing sensing and feedback technology for traditional controls to produce smarter valves and actuators, developing fluidic technology systems that combine pumps, valves, actuators and integrated sensing and control, and integrating electric technologies into new subsystems that meet the changing needs of our customers. We also are working on developing analytical sampling systems for process industries, landing gear subsystems for the aerospace industry, a pipeline custody transfer measurement system for the gas industry, and a compressed natural gas dispensing subsystem for transportation markets.

PRODUCT DEVELOPMENT

Building on our strong legacy of valves, regulators and other flow control devices, we are now providing our customers with integrated systems, moving up the value stream.
CIRCOR is reducing its manufacturing costs, diversifying its supply chain and broadening its global footprint by continuing to expand our manufacturing capabilities in emerging countries.

For example, we acquired full ownership of Suzhou KF Valve Co., Ltd. (SKVC) in 2005, a business that had grown out of a 1995 joint venture with a Chinese partner. With certifications from the International Organization for Standardization (ISO) and the American Petroleum Institute (API), the plant manufactures high-quality carbon and stainless steel ball valves for oil and gas applications.

We have invested significantly in SKVC to develop a Lean manufacturing facility with the highest quality standards. Over time, we have expanded its product offerings, increased capacity and expanded sales of its products to customers and markets throughout the world. SKVC provides CIRCOR with an excellent base of operations in China and has become a cornerstone in our global supply chain strategy.

More recently, CIRCOR entered the Indian market, hiring a country manager to expand our capabilities in that region. Initially, we plan to make valve components for HVAC and industrial applications and develop software for aerospace applications.

We also are establishing an Aerospace manufacturing capability in North Africa—a location with low costs and a growing supply base for French-speaking European aerospace companies.

Our China operation, SKVC, is a Lean facility, successfully serving energy product markets worldwide. We are now using SKVC to produce and source products for Aerospace, Thermal Fluids and Instrumentation—expanding our global supply chain capability.
Board of Directors

Jerome D. Brady
President and Chief Executive Officer of C&K Components (retired)
Chairman of CIRCOR’s Compensation Committee

Dewain K. Cross
Senior Vice President of Finance of Cooper Industries (retired)
Chairman of CIRCOR’s Audit Committee

David F. Dietz
Partner of Goodwin Procter LLP, CIRCOR’s Lead Director

Douglas M. Hayes
President of Hayes Capital Corp.
Chairman of CIRCOR’s Nominating and Corporate Governance Committee

A. William Higgins
Chairman of the Board, President and Chief Executive Officer of CIRCOR International, Inc.

Thomas E. Naugle
President of Naugle and Company

C. William Zadel
Chairman and Chief Executive Officer of Mykrolis Corporation (retired)

Executive Officers

A. William Higgins
Chairman of the Board, President and Chief Executive Officer of CIRCOR International, Inc.

Frederic M. Burditt
Vice President, Chief Financial Officer and Treasurer

Alan J. Glass
Vice President, General Counsel and Secretary

John F. Kober III
Vice President, Corporate Controller and Assistant Secretary

Susan M. McCuaig
Vice President, Human Resources

Richard A. Broughton
Vice President, Chief Information Officer

Divisional Officers

Christopher R. Celtruda
Group Vice President, Circor Aerospace Products

Paul M. Coppinger
Group President, Circor Energy Products

Wayne F. Robbins
Group Vice President, Circor Flow Technologies

Corporate Information

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(Shareholder Relations)

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Exchange Place
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Auditors
Grant Thornton LLP
226 Causeway Street
Boston, MA 02114

Investor Relations
Sharon Merrill Associates
77 Franklin Street
Boston, MA 02110

Annual Meeting
Wednesday, April 29, 2009
at 1:00 p.m. local time at the offices of the Company’s subsidiary Circor Instrumentation Technologies, Inc.
405 Centura Court
Spartanburg, SC 29305

Stock Listing
New York Stock Exchange
Ticker Symbol: CIR

CIRCOR on the Internet
The 2008 CIRCOR Letter to Shareholders, Form 10-K and Proxy Statement are available online through www.circor.com. This site also contains the latest Company news and information.