
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 25, 2006

FLOWSERVE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

New York
(State or Other Jurisdiction
of Incorporation)

1-13179
(Commission File Number)

31-0267900
(IRS Employer
Identification No.)

5215 N. O'Connor Blvd., Suite 2300, Irving, Texas
(Address of Principal Executive Offices)

75039
(Zip Code)

(972) 443-6500
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

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:

- ☐ 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.

On April 25, 2006, Flowserve Corporation (the “Company”) issued a press release announcing record bookings and backlog increase for the first quarter ending March 31, 2006, and an increase in debt during the quarter ended March 31, 2006 primarily as a result of the payment of full year 2005 employee earned incentive awards, plus professional service fees related to the restatement of the Company’s financial statements and the completion of the 2004 audit, which was completed in February 2006, and the work to complete the Company’s Annual Report on Form 10-K for the year ended December 31, 2004.

The Company also provided updates on its Securities and Exchange Commission (“SEC”) filings and expects to file its Annual Report on Form 10-K for the year ended December 31, 2005 during the latter part of the second quarter of 2006.

The press release is furnished as Exhibit 99.1 to this Form 8-K.

The information in this Item 2.02 and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (“1934 Act”), nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933 or the 1934 Act, except to the extent as shall be expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

On April 26, 2006, the Company filed its Amended Quarterly Report on Form 10-Q/A for the quarterly period ended March 31, 2004 and Quarterly Reports on Form 10-Q for the quarterly periods ended June 30, 2004 and September 30, 2004 (collectively, the “2004 10-Qs”). Certain events that occurred since the Company filed its Annual Report on Form 10-K for the year ended December 31, 2004, filed on February 13, 2006, are disclosed in the 2004 10-Qs under the headings “Subsequent Events” and “Legal Proceedings.” Copies of this disclosure from the Company’s 2004 10-Qs are attached hereto as Exhibit 99.2 and 99.3, respectively.

As previously announced, the Company was unable to timely file with the SEC its Annual Report on Form 10-K for the year ended December 31, 2005 (“2005 10-K”). The Company is working towards becoming current in its filings with the SEC as soon as practicable. In connection therewith, the Company expects to hold the 2005 annual meeting of shareholders and the 2006 annual meeting of shareholders (the “Annual Meetings”) on Thursday, August 24, 2006. It is possible that the Annual Meetings may be further delayed for various reasons, including our inability to file the 2005 10-K at a sufficiently advance time prior to such date.

Advance notice of any nominations for directors and any other items of business for consideration at the Annual Meetings must be given by a proposing shareholder by July 5, 2006. Additionally, any shareholder proposals to be considered for inclusion in the Company’s proxy materials for the Annual Meetings pursuant to Rule 14a-8 of the 1934 Act must be received by the Company a reasonable time before it begins to print its proxy materials. The Company considers proposals received by May 30, 2006 to be a reasonable time before it begins to print its proxy materials. All shareholder proposals must be submitted in writing to the Corporate Secretary of the Company in accordance with its bylaws, as applicable, and delivered to the Company’s address below:

Flowserve Corporation
5215 N. O'Connor Blvd., Suite 2300
Irving, Texas 75039
Attn: Corporate Secretary

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
Exhibit 99.1	Press release of the Company, dated April 25, 2006
Exhibit 99.2	Part I—Financial Information, Item 1. Financial Statements, Subsequent Events — subheading <i>Legal Matters</i> , as disclosed in the Company's 2004 10-Qs, filed with the SEC on April 26, 2006
Exhibit 99.3	Part II—Other Information, Item 1. Legal Proceedings, as disclosed in the Company's 2004 10-Qs, filed with the SEC on April 26, 2006

SIGNATURES

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

FLOWERVE CORPORATION

Dated: May 1, 2006

By: /s/ Ronald F. Shuff
Ronald F. Shuff
Vice President, Secretary and General Counsel

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Exhibit 99.3	Part II—Other Information, Item 1. Legal Proceedings, as disclosed in the Company’s 2004 10-Qs, filed with the SEC on April 26, 2006

Flowserve Announces Record Bookings And Backlog In First Quarter 2006; Expects To File 2005 Form 10-K In Latter Part Of Second Quarter And Become Current With SEC Filings Later This Year

DALLAS—(BUSINESS WIRE)—April 25, 2006—Flowserve Corp. (NYSE: FLS) today reported record bookings and backlog for the first quarter of 2006. It also said it expects to file its 2005 Form 10-K Report with the Securities and Exchange Commission during the latter part of the second quarter of 2006 and to become current with its SEC financial report filings later in the year.

Record First Quarter Core Bookings Increase 34 Percent, Excluding Currency and Divested Operations, Over Prior Year Period

First quarter 2006 bookings increased to approximately \$879 million, which represents a record for any quarter. The \$879 million record includes the impact of a negative currency effect of \$37.5 million, or 5.5 percent. It also compares with first quarter 2005 bookings of approximately \$713 million, or \$686 million excluding divestitures during 2005. Therefore, excluding divestitures and currency impact, core bookings increased 34 percent compared with the prior year period. Excluding only divestitures, bookings increased 28 percent. Excluding neither divestitures nor currency, bookings increased 23 percent.

Record Backlog

Backlog at the end of the first quarter of 2006 increased about 39 percent compared with the prior year period to \$1.23 billion, a record for any quarter, including positive currency effects of about 1 percent. This compares with a backlog of approximately \$884 million at the end of the first quarter of 2005 and \$994 million at the end of 2005, excluding 2005 divestitures in both cases. The company said that the increase was due to a combination of a larger volume of project orders, stronger aftermarket business and longer negotiated product delivery lead times that are typical of robust markets.

“We are continuing to see strong activity in virtually all of our markets on a global basis, including our oil, chemical and power customer base,” said Flowserve President and Chief Executive Officer Lewis M. Kling. “Our strongest bookings increase was in our pump operations, led by new project business. This is significant because of the typically profitable aftermarket opportunities that have traditionally arisen from an increased installed base. This pump project order strength also bodes well for our valve project business, which traditionally lags the pump project business. Our seal business bookings also remained strong during the quarter, consistent with its excellent track record.”

Debt Inches Higher In First Quarter

Consolidated debt inched up approximately \$9 million at the end of the first quarter of 2006, compared with year-end 2005. This increase reflects a first quarter 2006 annual payment of \$50 million of broad-based, full-year 2005 employee earned incentive awards. It also reflects the impact of professional service fees related to the recent restatement of the company's financial statements and audit completed in February 2006, and related work on the 2005 Form 10-K Report and annual audit. The increase further includes debt repayment of approximately \$11 million made in early January 2006 using the net proceeds from the

divestiture of the General Services Group.

“We continue to examine our options for employing our expected continued cash flow,” said Chief Financial Officer Mark A. Blinn. “Among them are reducing our financial leverage, beginning regular dividends, repurchasing outstanding common stock, increasing investments in our technologies and infrastructure, making further pension contributions and enhancing our capital structure. We also anticipate our professional fees to complete our financial audits and SEC filings will substantially decrease this year compared with the prior year and then normalize in 2007.”

SEC Filings Update

The company said it is making good progress in closing its 2005 annual financial statements and expects to file its 2005 Form 10-K Report during the latter part of the second quarter. The company anticipates it will become current on its remaining required SEC filings later in 2006. In addition, the company expects to file all of its 2004 Form 10-Q reports with the SEC in the near future.

Positive Outlook

The company reiterated its positive outlook. “We are very pleased with our strong first quarter bookings, which bode very well for the future,” Kling said. “We are excited when we look at our business prospects in 2006 and beyond.”

Flowserve Corp. is one of the world’s leading providers of fluid motion and control products and services. Operating in 56 countries, the company produces engineered and industrial pumps, seals and valves as well as a range of related flow management services.

SAFE HARBOR STATEMENT: This news release includes forward-looking statements. Forward looking statements are all statements that are not statements of historical facts and include, without limitation, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations and financial performance and condition. The words “believe”, “seek”, “anticipate”, “plan”, “estimate”, “expect”, “intend”, “project”, “forecast”, “predict”, “potential”, “continue”, “will”, “may”, “could”, “should”, and other words of similar meaning are intended to identify forward-looking statements. The forward-looking statements made in this news release are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors that, in some cases, are beyond our control. These risks, uncertainties and factors may cause our actual results, performance and achievements, or industry results and market trends, to be materially different from any future results, performance, achievements or trends expressed or implied by such forward-looking statements. Important risks, uncertainties and other factors that could cause actual results to differ from these forward-looking statements include, but are not limited to, the following: delays in future reports of the Company’s management and outside auditors on the Company’s internal control over financial reporting and related certifications; continuing delays in the Company’s filing of its periodic public reports and any SEC, NYSE or debt rating agencies’ actions resulting therefrom; the possibility of adverse consequences of the pending securities litigation and SEC investigations; the possibility of adverse consequences of governmental tax audits of the Company’s tax returns, including the upcoming IRS audit of the company’s U.S. tax returns for the years 2002 through 2004; the Company’s ability to convert bookings, which are not subject to nor computed in accordance with generally accepted accounting principles, into revenues at acceptable, if any, profit margins, since such profit margins cannot be assured nor be necessarily

assumed to follow historical trends; changes in the financial markets and the availability of capital; changes in the already competitive environment for the Company's products or competitors' responses to the Company's strategies; the Company's ability to integrate acquisitions into its management and operations; political risks, military actions or trade embargoes affecting customer markets, including the continuing conflict in Iraq, uncertainties in certain Middle Eastern countries such as Iran, and their potential impact on Middle Eastern markets and global petroleum producers; the Company's ability to comply with the laws and regulations affecting its international operations, including the U.S. export laws, and the effect of any noncompliance; the health of the petroleum, chemical, power and water industries; economic conditions and the extent of economic growth in the U.S. and other countries and regions; unanticipated difficulties or costs associated with the implementation of systems, including software; the Company's relative geographical profitability and its impact on the Company's utilization of foreign tax credits; the recognition of significant expenses associated with realigning operations of acquired companies with those of Flowserve; the Company's ability to meet the financial covenants and other requirements in its debt agreements; any terrorist attacks and the response of the U.S. to such attacks or to the threat of such attacks; technological developments in the Company's products as compared with those of its competitors; changes in prevailing interest rates and the Company's effective interest costs; and adverse changes in the regulatory climate and other legal obligations imposed on the Company. It is not possible to foresee or identify all the factors that may affect our future performance or any forward-looking information, and new risk factors can emerge from time to time. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements included in this news release are based on information available to us on the date of this news release. We undertake no obligation to revise or update any forward-looking statement or disclose any facts, events or circumstances that occur after the date hereof that may affect the accuracy of any forward-looking statement.

CONTACT:

Flowserve Corp., Dallas

Investor Contact:

Michael Conley, 972-443-6557

or

Media Contact:

Lars Rosene, 469-420-3264

PART I — FINANCIAL INFORMATION**Item 1. Financial Statements.****Subsequent Events*****Legal Matters***

On October 6, 2005, a shareholder derivative lawsuit was filed purportedly on our behalf in the 193rd Judicial District of Dallas County, Texas. The lawsuit names as defendants Mr. Greer, Ms. Hombaker, and current board members Hugh K. Coble, George T. Haymaker, Jr., William C. Rusnack, Michael F. Johnston, Charles M. Rampacek, Kevin E. Sheehan, Diane C. Harris, James O. Rollans and Christopher A. Bartlett. We are named as a nominal defendant. Based primarily on the purported misstatements alleged in the above-described federal securities case, the plaintiff asserts claims against the defendants for breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. The plaintiff alleges that these purported violations of state law occurred between April 2000 and the date of suit. The plaintiff seeks on our behalf an unspecified amount of damages, injunctive relief and/or the imposition of a constructive trust on defendants' assets, disgorgement of compensation, profits or other benefits received by the defendants from us, and recovery of attorneys' fees and costs. We strongly believe that the suit was improperly filed and have filed a motion seeking dismissal of the case.

On February 7, 2006, we received a subpoena from the SEC regarding goods and services that we delivered to Iraq from 1996 through 2003 during the United Nations Oil-for-Food Program. We are in the process of reviewing and responding to the subpoena and intend to cooperate with the SEC. We believe that other companies in our industry (as well as in other industries) have received similar subpoenas and requests for information.

On March 14, 2006, a shareholder derivative lawsuit was filed purportedly on our behalf in federal court in the Northern District of Texas. The lawsuit names as defendants Mr. Greer, Ms. Hombaker, and current board members Hugh K. Coble, George T. Haymaker, Jr., Lewis M. Kling, William C. Rusnack, Michael F. Johnston, Charles M. Rampacek, Kevin E. Sheehan, Diane C. Harris, James O. Rollans and Christopher A. Bartlett. We are named as a nominal defendant. Based primarily on certain of the purported misstatements alleged in the above-described federal securities case, the plaintiff asserts claims against the defendants for breaches of fiduciary duty. The plaintiff alleges that the purported breaches of fiduciary duty occurred between 2000 and 2004. The plaintiff seeks on our behalf an unspecified amount of damages, disgorgement by Mr. Greer and Ms. Hombaker of salaries, bonuses, restricted stock and stock options, and recovery of attorneys' fees and costs. We strongly believe that the suit was improperly filed and intend to file a motion seeking dismissal of the case.

Since we manufacture and sell our products globally, we are subject to risks associated with doing business internationally. In March 2006, we initiated a process to determine our compliance posture with respect to U.S. export control laws and regulations. Upon initial investigation, it appears that some product transactions and technology transfers require further research to determine compliance with U.S. export control laws and regulations. With assistance from outside counsel, we are currently involved in a systematic process to conduct further research. Any potential violations of U.S. export control laws and regulations that are identified may result in civil or criminal penalties, including fines and/or suspension of the privilege to engage in export transactions or to have our foreign affiliates receive U.S.-origin goods, software or technology. Because our research into this issue is ongoing, we are unable to determine the extent of any violations or the nature or amount of any potential penalties to which we might be subject to in the future. As a result, we cannot currently predict whether the resolution of this matter will materially adversely affect our financial position or results of operations. At this time, we have not made any provision in our consolidated financial statements for any fines or penalties that might be incurred relating to this matter.

PART II — OTHER INFORMATION**Item 1. Legal Proceedings.**

We are a defendant in a large number of pending lawsuits (which include, in many cases, multiple claimants) that seek to recover damages for personal injury allegedly caused by exposure to asbestos containing products manufactured and/or distributed by us in the past. Any such products were encapsulated and used only as components of process equipment, and we do not believe that any emission of respirable asbestos fibers occurred during the use of this equipment. We believe that a high percentage of the applicable claims are covered by applicable insurance or indemnities from other companies.

On February 4, 2004, we received an informal inquiry from the SEC requesting the voluntary production of documents and information related to our February 3, 2004 announcement that we would restate our financial results for the nine months ended September 30, 2003 and the full years 2002, 2001 and 2000. On June 2, 2004, we were advised that the SEC had issued a formal order of private investigation into issues regarding this restatement and any other issues that arise from the investigation. We continue to cooperate with the SEC in this matter.

During the quarter ended September 30, 2003, related lawsuits were filed in federal court in the Northern District of Texas (the “Court”), alleging that we violated federal securities laws. Since the filing of these cases, which have been consolidated, the lead plaintiff has amended its complaint several times. The lead plaintiff’s current pleading is the fifth consolidated amended complaint (“Complaint”). The Complaint alleges that federal securities violations occurred between February 6, 2001 and September 27, 2002 and names as defendants Mr. C. Scott Greer, our former Chairman, President and Chief Executive Officer, Ms. Renee J. Hombaker, our former Vice President and Chief Financial Officer, PricewaterhouseCoopers LLP, our independent registered public accounting firm, and Banc of America Securities LLC and Credit Suisse First Boston LLC, which served as underwriters for two of our public stock offerings during the relevant period. The Complaint asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder, and Sections 11 and 15 of the Securities Act of 1933. The lead plaintiff seeks unspecified compensatory damages, forfeiture by Mr. Greer and Ms. Hombaker of unspecified incentive-based or equity-based compensation and profits from any stock sales, and recovery of costs. On November 22, 2005, the Court entered an order denying the defendants’ motions to dismiss the Complaint on the pleadings in their entirety. The case is currently set for trial on March 27, 2007. We continue to believe that the lawsuit is without merit and are vigorously defending the case.

On October 6, 2005, a shareholder derivative lawsuit was filed purportedly on our behalf in the 193rd Judicial District of Dallas County, Texas. The lawsuit names as defendants Mr. Greer, Ms. Hombaker, and current board members Hugh K. Coble, George T. Haymaker, Jr., William C. Rusnack, Michael F. Johnston, Charles M. Rampacek, Kevin E. Sheehan, Diane C. Harris, James O. Rollans and Christopher A. Bartlett. We are named as a nominal defendant. Based primarily on the purported misstatements alleged in the above-described federal securities case, the plaintiff asserts claims against the defendants for breach of fiduciary duty, abuse of control, gross mismanagement, waste of corporate assets and unjust enrichment. The plaintiff alleges that these purported violations of state law occurred between April 2000 and the date of suit. The plaintiff seeks on our behalf an unspecified amount of damages, injunctive relief and/or the imposition of a constructive trust on defendants’ assets, disgorgement of compensation, profits or other benefits received by the defendants from us, and recovery of attorneys’ fees and costs. We strongly believe that the suit was improperly filed and have filed a motion seeking dismissal of the case.

On February 7, 2006, we received a subpoena from the SEC regarding goods and services that we delivered to Iraq from 1996 through 2003 during the United Nations Oil-for-Food Program. We are in the process of reviewing and responding to the subpoena and intend to cooperate with the SEC. We believe that other companies in our industry (as well as in other industries) have received similar subpoenas and requests for information.

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Since we manufacture and sell our products globally, we are subject to risks associated with doing business internationally. In March 2006, we initiated a process to determine our compliance posture with respect to U.S. export control laws and regulations. Upon initial investigation, it appears that some product transactions and technology transfers require further research to determine compliance with U.S. export control laws and regulations. With assistance from outside counsel, we are currently involved in a systematic process to conduct further research. Any potential violations of U.S. export control laws and regulations that are identified may result in civil or criminal penalties, including fines and/or suspension of the privilege to engage in export transactions or to have our foreign affiliates receive U.S.-origin goods, software or technology. Because our research into this issue is ongoing, we are unable to determine the extent of any violations or the nature or amount of any potential penalties to which we might be subject to in the future. As a result, we cannot currently predict whether the resolution of this matter will materially adversely affect our financial position or results of operations. At this time, we have not made any provision in our consolidated financial statements for any fines or penalties that might be incurred relating to this matter.

We have been involved as a potentially responsible party (“PRP”) at former public waste disposal sites that may be subject to remediation under pending government procedures. The sites are in various stages of evaluation by federal and state environmental authorities. The projected cost of remediation at these sites, as well as our alleged “fair share” allocation, is uncertain and speculative until all studies have been completed and the parties have either negotiated an amicable resolution or the matter has been judicially resolved. At each site, there are many other parties who have similarly been identified, and the identification and location of additional parties is continuing under applicable federal or state law. Many of the other parties identified are financially strong and solvent companies that appear able to pay their share of the remediation costs. Based on our information about the waste disposal practices at these sites and the environmental regulatory process in general, we believe that it is likely that ultimate remediation liability costs for each site will be apportioned among all liable parties, including site owners and waste transporters, according to the volumes and/or toxicity of the wastes shown to have been disposed of at the sites. We believe that our exposure for existing disposal sites will be less than \$100,000.

We are also a defendant in several other lawsuits, including product liability claims, that are insured, subject to the applicable deductibles, arising in the ordinary course of business. Based on currently available information, we believe that we have adequately accrued estimated probable losses for such lawsuits. We are also involved in a substantial number of labor claims, including one case where we had a confidential settlement reflected in our 2004 results.

Although none of the aforementioned potential liabilities can be quantified with absolute certainty, we have established reserves covering these exposures, which we believe to be reasonable based on past experience and available facts. While additional exposures beyond these reserves could exist, they currently cannot be estimated. We will continue to evaluate these potential contingent loss exposures and, if they develop, recognize expense as soon as such losses become probable and can be reasonably estimated.

We are also involved in ordinary routine litigation incidental to our business, none of which we believe to be material to our business, operations or overall financial condition. However, resolutions or dispositions of claims or lawsuits by settlement or otherwise could have a significant impact on our operating results for the reporting period in which any such resolution or disposition occurs.