
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): December 23, 2005

FLOWERVE 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
(I.R.S. Employer Identification No.)

5215 N. O'Connor Blvd., Suite 2300, Irving, Texas
(Address of principal executive offices)

75039
(Zip Code)

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

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 1.01. Entry into a Material Definitive Agreement.

On December 23, 2005, Flowserve Corporation, a New York corporation (the “Company”), effectively entered into an Amendment and Waiver (the “Amendment”) to that certain credit agreement, dated as of August 12, 2005 (the “Credit Agreement”), with Bank of America, N.A., as Swingline Lender, Administrative Agent and Collateral Agent, and the financial institutions from time to time party thereto (collectively, the “Lenders”).

The Amendment, among other things:

- extends the deadline for the Company to deliver its restated financial statements to the administrative agent and file its Form 10-K with the Securities Exchange Commission for its fiscal year ended 2004, as required by the Credit Agreement, until February 28, 2006;
- provides for a waiver by the Lenders regarding the requirement for the Company to receive at least 75% cash consideration with respect to the General Services Sale (as such term is defined in the Credit Agreement);
- permits certain intercompany restructuring transactions of the Company (which could, under the current provisions of the Credit Agreement, be consummated through a sale or merger) to also be consummated by way of contribution; and
- provides for Issuing Banks (as such term is defined in the Credit Agreement) to be able to issue letters of credit in the form of bank guarantees.

While the Amendment is nominally dated in its preface as December 20, 2005, the Company did not execute the Amendment and make the required payment to the Lenders thereunder until December 23, 2005, both of which were conditions precedent for the “Effective Date” of the Amendment.

The above discussion of the Amendment is a summary description of certain amendments and waivers to the Credit Agreement and is qualified in its entirety by the terms and conditions of the Amendment. For complete descriptions of the terms and conditions summarized in this report, reference is made to the Amendment attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 2.02. Results of Operations and Financial Condition.

On December 29, 2005, the Company issued a press release announcing it anticipates strong fourth quarter 2005 bookings and cash flows. The Company expects its fourth quarter 2005 bookings will be up 10 to 15 percent compared with the fourth quarter of 2004.

The Company also confirmed that it had resolved the tax issues related to the previously announced IRS audit of its 1999 through 2001 tax returns with little cash impact to the Company.

The Company also stated that it expects to complete the restatement of its financial statements for 2002 and 2003 and the preparation of its 2004 financial statements and its Annual Report on Form 10-K for the year ended December 31, 2004 (the “2004 Form 10-K”) during January 2006.

Subject to completion of the remaining tax provision work, the Company believes that the cumulative reduction in net income arising from the restatement will be around \$30 million, including the impact of charges arising before 2000.

As part of its work to complete the 2004 Form 10-K, the Company has been finalizing its assessments of its material weaknesses in internal controls as of December 31, 2004. In addition to, or as clarifications of, those previously announced, the Company has identified material weaknesses in the following areas: non-U.S. pension accounting, period-end financial close and reporting, inventory management, derivatives, control environment, accounts receivable and related factoring and securitization, accounting for mergers and acquisitions, investments in unconsolidated subsidiaries, intangibles and various accrued liabilities.

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, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent as shall be expressly set forth by specific reference in such filing.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

The New York Stock Exchange (“NYSE”) notified the Company on December 23, 2005 of its consent to extend its deadline until March 31, 2006, for the Company to file its 2004 Form 10-K with the SEC. The NYSE also noted in its consent to extend the 2004 Form 10-K filing date to March 31, 2006, that the NYSE would continue to monitor the Company’s progress on other delayed filings as part of the its continued listing assessment and would maintain the “LF” indicator on the Company’s securities and include the Company on the “late filer” list on nyse.com until such time as the Company becomes current with all of its periodic SEC filings. As discussed above, the Company expects to complete the preparation of its 2004 financial statements and its 2004 Form 10-K during January 2006. The NYSE also noted in its consent, that in the event that the Company does not complete its 2004 Form 10-K filing with the SEC by March 31, 2006, the NYSE will move forward with the initiation of suspension and delisting procedures.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	Amendment and Waiver, dated December 20, 2005 and effective December 23, 2005, to that certain Credit Agreement, dated as of August 12, 2005, among the Company, the financial institutions from time to time party thereto, and Bank of America, N.A., as Swingline Lender, Administrative Agent and Collateral Agent.
99.1	Press Release issued by the Company on December 29, 2005 furnished pursuant to Item 2.02 of this Form 8-K.

Signature

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 thereunto duly authorized.

FLOWSERVE CORPORATION

By: /s/ Ronald F. Shuff

Ronald F. Shuff

Vice President, Secretary and General Counsel

Date: December 30, 2005

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99.1	Press Release issued by the Company on December 29, 2005 furnished pursuant to Item 2.02 of this Form 8-K.

FLOWERVE CORPORAION**AMENDMENT AND WAIVER**

This **AMENDMENT AND WAIVER** is dated as of December 20, 2005 and entered into by and among Flowserve Corporation, a New York corporation (the “**Company**”), the financial institutions executing the Consent of Lender (the “**Consent**”) in the form of Exhibit A annexed hereto and Bank of America, N.A., a national banking association, as administrative agent for the Lenders (in such capacity, the “**Administrative Agent**”), and is made with reference to that certain Credit Agreement is dated as of August 12, 2005 (the “**Credit Agreement**”) by and among the Company, the financial institutions from time to time party thereto (collectively, the “**Lenders**” and individually, a “**Lender**”), and Bank of America, N.A., as Swingline Lender, Administrative Agent and Collateral Agent for the Lenders. Capitalized terms used herein without definition shall have the same meanings as set forth in the Credit Agreement.

RECITALS

WHEREAS, pursuant to Section 5.12 of the Credit Agreement, the Company is required have completed its publicly announced restatement of its financial statements for periods from January 1, 2000 through March 31, 2004, delivered such restated financial statements to the Administrative Agent, and filed a Form 10-K with the Securities Exchange Commission for its fiscal year ended 2004, in each case on or before December 31, 2005.

WHEREAS, the Company has requested that the Required Lenders extend the deadline for compliance with Section 5.12 of the Credit Agreement until February 28, 2006;

WHEREAS, the Company has further requested that Required Lenders waive (i) the requirement under Section 6.05(b) of the Credit Agreement that the General Services Sale be made for at least 75% cash consideration and (ii) the provisions of Section 6.04 of the Credit Agreement with respect to certain intercompany restructuring transactions so as to permit such transactions (which could, under the provisions of the Credit Agreement, be consummated through a sale or merger) to be consummated by way of contribution;

WHEREAS, the Company has requested that the Required Lenders agree that consenting Issuing Banks may, upon request, issue Letters of Credit in the form of bank guarantees; and

WHEREAS, the Lenders executing a Consent desire to grant such requests.

Section 1. EXTENSION OF SECTION 5.12 COMPLIANCE DEADLINE

The Lenders hereby extend the date for compliance with the requirements of Section 5.12 of the Credit Agreement from December 31, 2004 to February 28, 2006.

Section 2. ISSUANCE OF BANK GUARANTEES

Required Lenders hereby agree that Company may request, and Issuing Banks may, in their discretion, issue bank guarantees that constitute “Independent Undertakings” (as described in 12 CFR § 7.1016) supporting obligations of the Company or any of its Subsidiaries and such bank guarantees shall be deemed to be Standby Letters of Credit for all purposes under the Credit Agreement.

Section 3. WAIVERS

Subject to the terms and conditions herein, the Lenders hereby waive:

- (i) the requirement under Section 6.05(b) of the Credit Agreement that consideration for Asset Sales be at least 75% cash, solely with respect to the General Services Sale.
- (ii) the provisions of Section 6.04 of the Credit Agreement, solely with respect to transfers of the type described in clause (b)(iv)(x) of the defined term “Asset Sale”, so as to permit such transactions (that could otherwise be consummated by way of sale or merger) to be consummated by way of a contribution.

Section 4. MISCELLANEOUS

A. The extension in Section 1 and the waivers set forth in Section 3 shall be limited precisely as written, and nothing in Section 1 or 3 shall be deemed to:

- (i) constitute a waiver of compliance by the Company with respect to Sections 5.12, 6.04 or 6.05 in any other instance, or any other term, provision or condition of the Credit Agreement or any other instrument or agreement referred to therein; or
- (ii) prejudice any right or remedy that Administrative Agent or any Lender may now have or may have in the future under or in connection with the Credit Agreement or any other instrument or agreement referred to therein.

B. Except as expressly set forth herein, the terms, provisions and conditions of the Credit Agreement shall remain in full force and effect and in all other respects are hereby ratified and confirmed.

Section 5. CONDITIONS TO EFFECTIVENESS

Sections 1, 2 and 3 hereof shall become effective only upon satisfaction of all of the following conditions precedent (the date of such satisfaction being referred to herein as the “**Effective Date**”):

A. On the Effective Date, (a) the representations and warranties contained in Section 4 hereof and in Article III of the Credit Agreement shall be true and correct as of such date, as though made on and as of such date; (b) no Default or Event of Default shall then exist; and (c) the Company shall deliver to the Administrative Agent a certificate signed by a Responsible Officer of Company confirming the foregoing;

B. On or prior to the Effective Date, the Required Lenders shall have executed the Consent; and

C. The Administrative Agent shall have received payment, for the account of each Lender that executes and delivers a Consent on or before 5:00 p.m. Eastern Standard Time on December 20, 2005 (the “**Consent Deadline**”), of an amendment fee equal to .025% of the sum of such Lender’s Revolving Credit Commitment and the principal amount of Term Loans held by such Lender on the Effective Date. In addition, and as a condition subsequent to the continued effectiveness of Section 1 hereof, if the Company does not comply with the provisions of Section 5.12 of the Credit Agreement by the original compliance date of December 31, 2005, Company shall, not later than 5:00 p.m. Eastern Standard Time on January 4, 2006, pay to the Administrative Agent for the account of each Lender that executed a Consent on or prior to the Consent Deadline, an additional amendment fee equal to .025% of the sum of such Lender’s Revolving Credit Commitment and the principal and the principal amount of Term Loans held by such Lender on January 3, 2006.

Section 6. MISCELLANEOUS

A. Fees and Expenses. The Company acknowledges that all costs, fees and expenses as described in Section 9.05 of the Credit Agreement incurred by the Administrative Agent and its counsel with respect to this Amendment and Waiver and the documents and transactions contemplated hereby shall be for the account of the Company.

B. Headings. Section and subsection headings in this Amendment and Waiver are included herein for convenience of reference only and shall not constitute a part of this Amendment and Waiver for any other purpose or be given any substantive effect.

C. Applicable Law. THIS AMENDMENT AND WAIVER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.

D. Counterparts. This Amendment and Waiver may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment and Waiver to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**BANK OF AMERICA, N.A.,
as the Administrative Agent**

By: /s/ John Pocalyko
Name: John Pocalyko
Title: Senior Vice President

Acknowledged and agreed:

FLOWERVE CORPORATION, as the Company

By: /s/ Paul W. Fehlman
Name: Paul W. Fehlman
Title: Vice President and Treasurer

EXHIBIT A

CONSENT OF LENDER

This Consent of Lender is delivered by the undersigned Lender with reference to that certain Credit Agreement dated as of August 12, 2005 (the “**Credit Agreement**”) by and among Flowserve Corporation, a New York corporation, the financial institutions party thereto (the “**Lenders**”) and Bank of America, N.A. as Swingline Lender, Administrative Agent and Collateral Agent for the Lenders. The undersigned Lender hereby consents to the Amendment and Waiver to the Credit Agreement dated as of December 20, 2005.

**BANK OF AMERICA, N.A.,
as the Administrative Agent**

By: /s/ John Pocalyko
Name: John Pocalyko
Title: Senior Vice President

Investor Contact: Michael E. Conley (972) 443-6557
Media Contact: Lars Rosene (469) 420-3264

FOR IMMEDIATE RELEASE

**Flowserve Restatement and 2004 Financial Statements Near
Completion, Expects to File 2004 Form 10-K in January**

**Expects Fourth Quarter 2005 Bookings to be Up
10 Percent to 15 Percent Over Prior Year**

DALLAS — Dec. 29, 2005 — Flowserve Corp. (NYSE: FLS) today said its 2004 Form 10-K is near completion and is expected to be filed with the Securities and Exchange Commission during January 2006. In addition, the company said it anticipates strong fourth quarter 2005 bookings and cash flow.

2004 Form 10-K Filing Update

The company said that the restatement of 2002 and 2003 and the preparation of its 2004 financial statements are nearly complete and indicated that it expects to file its 2004 Form 10-K during the month of January. Chief Financial Officer Mark A. Blinn explained, “We are taking extra time to finalize the company’s tax provision for these periods, which represents the key remaining open work stream. Our primary focus is on accuracy and thoroughness, and we believe this additional analysis is necessary and prudent.”

The company also announced that it obtained lender consents that extended until Feb. 28, 2006, the requirement for delivering to its lenders its 2004 audited

financial statements. Further, the company confirmed that the New York Stock Exchange extended its deadline until March 31, 2006, for the company to file its 2004 Form 10-K with the SEC.

The company also confirmed that it has resolved the tax issues related to the previously announced IRS audit of its 1999 through 2001 tax returns with little cash impact on the company.

Subject to completion of the remaining tax provision work, the company believes that the cumulative reduction in net income arising from the restatement will be around \$30 million, including the impact of charges arising before 2000.

As part of its work to complete the 2004 Form 10-K, the company has been finalizing its assessments of its material weaknesses in internal controls as of Dec. 31, 2004. In addition to, or as clarifications of, those previously announced, the company has identified material weaknesses in the following areas: non-U.S. pension accounting, period-end financial close and reporting, inventory management, derivatives, control environment, accounts receivable and related factoring and securitization, accounting for mergers and acquisitions, investments in unconsolidated subsidiaries, intangibles and various accrued liabilities.

As previously reported, the company has worked during 2005 to actively address its material weaknesses. While the company, as previously announced, expects to report in its 2004 Form 10-K that certain of its internal controls were not operating effectively as of Dec. 31, 2004, it is continuing to take all actions necessary to receive an unqualified audit opinion on its 2004 financial statements.

Bookings and Cash Flow Update

The company said it expects its fourth quarter 2005 bookings will be up 10 percent to 15 percent compared with the fourth quarter of 2004. "We continue to see strong customer demand across a broad range of our product lines and geographical areas," said President and Chief Executive Officer Lewis M. Kling. "We also anticipate continued strong cash flow in the fourth quarter of 2005."

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: further delays in the report of the Company's management and outside auditors on the Company's internal control over financial reporting and related certification; further 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 investigation; 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 and its 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.

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