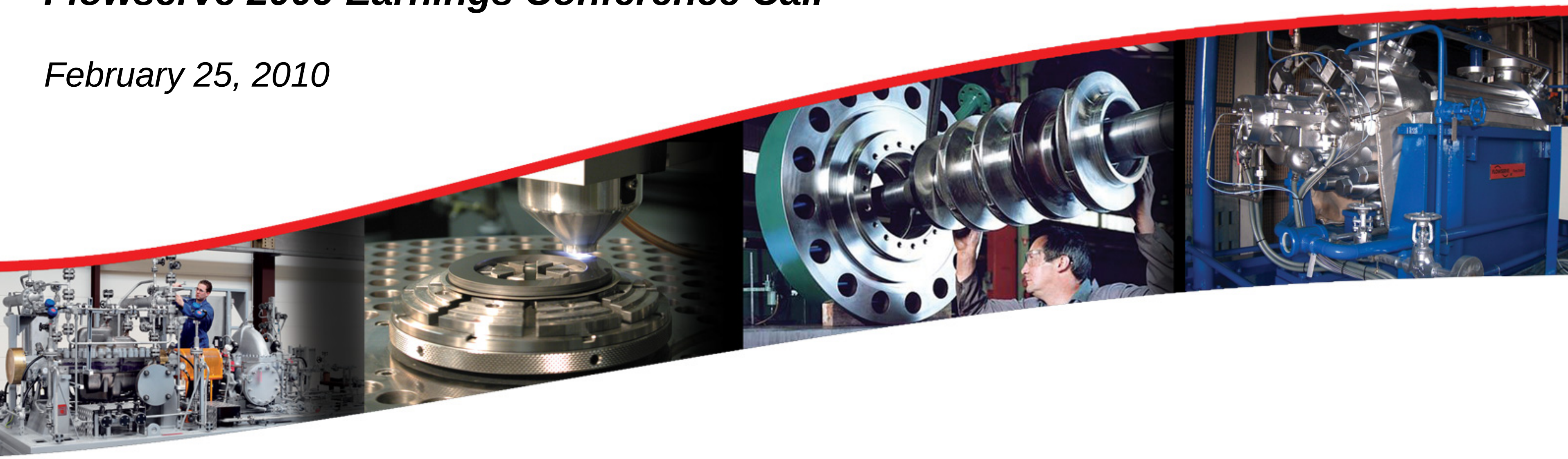
Flowserve 2009 Earnings Conference Call

February 25, 2010



Experience In Motion

Special Note

<u>SAFE HARBOR STATEMENT</u>: This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as, "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, 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 forward-looking statements included in this presentation are based on our current expectations, projections, estimates and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the following: a portion of our bookings may not lead to completed sales, and our ability to convert bookings into revenues at acceptable profit margins; our dependence on our customers' ability to make required capital investment and maintenance expenditures; changes in the global financial markets and the availability of capital and the potential for unexpected cancellations or delays of customer orders in our reported backlog; risks associated with cost overruns on fixed-fee projects and in taking customer orders for large complex custom engineered products; the substantial dependence of our sales on the success of the petroleum, chemical, power and water industries; the adverse impact of volatile raw materials prices on our products and operating margins; our ability to execute and realize the expected financial benefits from our strategic realignment initiatives; economic, political and other risks associated with our international operations, including military actions or trade embargoes that could affect customer markets, particularly Middle Eastern markets and global petroleum producers, and non-compliance with U.S. export/re-export control, foreign corrupt practice laws, economic sanctions and import laws and regulations; our exposure to fluctuations in foreign currency rates, particularly in hyperinflationary countries such as Venezuela; our furnishing of products and services to nuclear power plant facilities; potential adverse consequences resulting from litigation to which we are a party, such as shareholder litigation and litigation involving asbestos-containing material claims; a foreign government investigation regarding our participation in the United Nations Oil-for-Food Program; our foreign subsidiaries autonomously conducting limited business operations and sales in certain countries identified by the U.S. State Department as state sponsors of terrorism; our relative geographical profitability and its impact on our utilization of deferred tax assets, including foreign tax credits; the potential adverse impact of an impairment in the carrying value of goodwill or other intangibles; our dependence upon third-party suppliers whose failure to perform timely could adversely affect our business operations; the highly competitive nature of the markets in which we operate; environmental compliance costs and liabilities; potential work stoppages and other labor matters; our inability to protect our intellectual property in the U.S., as well as in foreign countries; obligations under our defined benefit pension plans; and other factors described from time to time in our filings with the Securities and Exchange Commission.

All forward-looking statements included in this presentation are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statement.

Key Highlights – Full Year 2009

- EPS of $7.59, down 1.6% versus prior year (EPS of $8.47, up 9.9% excluding realignment charges of $68 million)
- Bookings of $3.89 billion, down 23.9%, or 19.7% excluding impact of currency
  - ✓ Year-end backlog of $2.37 billion, down 16.1%, or 19.1% excluding impact of currency
- Operating cash flow of $431 million
  - ✓ Final cash balance of $654 million, up $182 million versus 2008
  - ✓ Returned $100 million to shareholders through dividends and share repurchases, and supported $108 million CAPEX investment in 2009
- Market Dynamics
  - ✓ Market remains competitive
  - ✓ Some large project order releases moved out of 2009 into 2010

Positioning for the Future

- Invested in key growth areas in 2009
  - ✓ Aftermarket opportunities
    - ✓ Opened 9 QRCs around the world
    - ✓ Integrated Solutions Group – expanded aftermarket engineering and technical services
  - ✓ Localization of capabilities
    - ✓ Middle East, India, Asia, Mexico, and South America
  - ✓ Expanded Product Technologies
    - ✓ Nuclear, Power generation, Subsea, Desalination, Engineering centers
- Positioning the Company for the future
  - ✓ Flow Solutions Group
  - ✓ Realignment to increase customer intimacy and reduce cost structure
  - ✓ Balance sheet and uses of cash flow

Focused on growth opportunities and our operating platform to drive future success

Strategic Areas of Focus

- **Customer Centric**
  - ✓ Localization of product and service capabilities
  - ✓ Large project capabilities
  - ✓ Aftermarket programs to deliver efficiency and reliability
  - ✓ Products and technology engineered to customer needs
- **Keys to Success**
  - ✓ Disciplined execution
  - ✓ Low cost manufacturing and efficient SG&A
  - ✓ Continuous improvement
  - ✓ Investment in people and assets
- **Shareholder Value**
  - ✓ Announced 7.4% increase in quarterly dividend from $0.27/share to $0.29/share to be paid in Q2 2010
  - ✓ Will seek to invest in opportunities that provide excess returns over capital costs

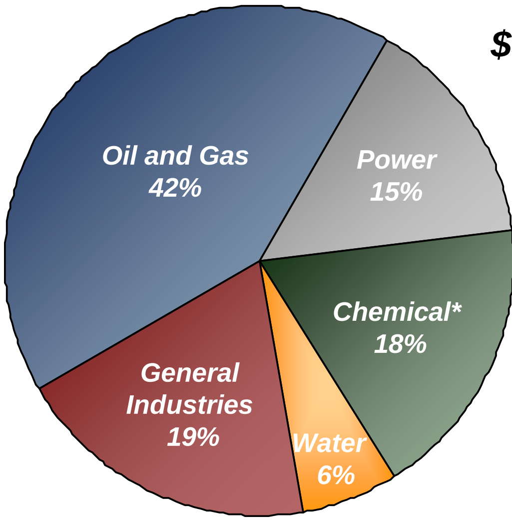
Our strategic focus should drive enhanced value for our customers, employees, and shareholders

Market Outlook

Flowserve Markets – Bookings

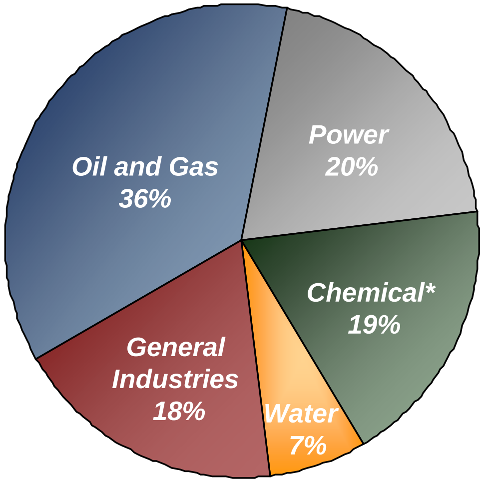
2008 Bookings by Industry

$5.11B



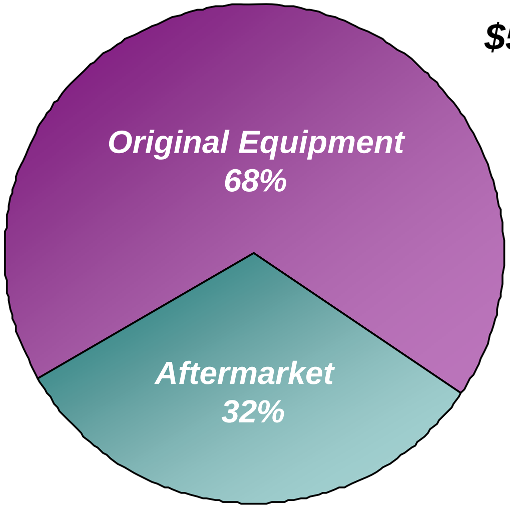
2009 Bookings by Industry

$3.89B



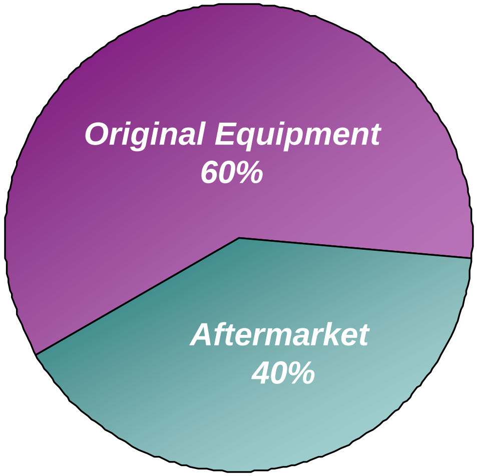
2008 Bookings Mix

$5.11B



2009 Bookings Mix

$3.89B

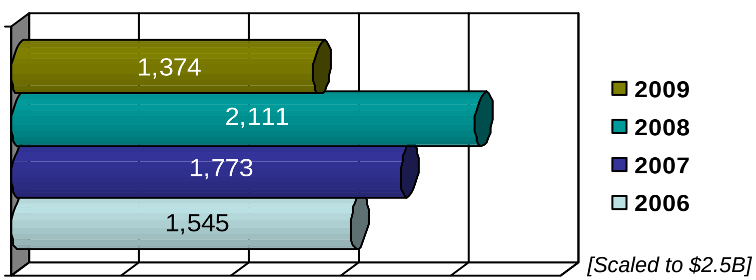


* Chemical percentage includes pharmaceuticals

Global Industry Outlook

Oil & Gas ➔ 36% YTD Bookings

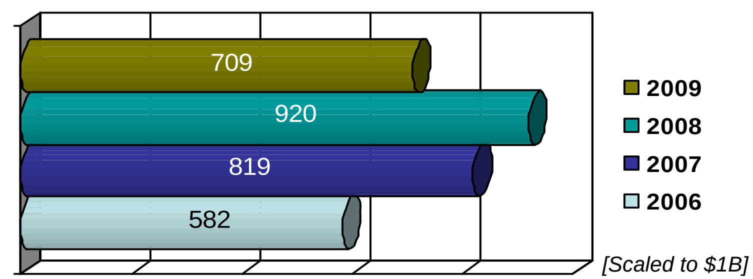
Flowserve Annual Bookings Performance Comparison
($ millions)



- *2009 bookings were adversely impacted by the delay of major projects resulting from the global recession*
- *Demand forecasts continue to show long term growth driven by the developing economies with investments in upstream, midstream and downstream operations*
- *In the mature regions, the refining segment remains challenged – continuing operations provide aftermarket opportunities*
- *Oil & Gas companies have announced plans to spend a majority of near term capital on increasing future reserves*
  - ✓ *Forecasts continue to show strength in investments related to liquefied natural gas (LNG)*

Chemical ➔ 19% YTD Bookings

Flowserve Annual Bookings Performance Comparison
($ millions)



- *The chemical industry remains challenged by the current state of the global economy*
- *A majority of the new capacity for commodity chemicals is planned in the developing regions*
  - ✓ *The Middle East is preparing to become a leading exporter of commodity chemicals in the later half of this decade*
- *Maintenance spend will continue to provide a good aftermarket opportunity – particularly in the mature regions*
  - ✓ *Optimization of continuing operations provides potential opportunities for our Integrated Solutions Group*

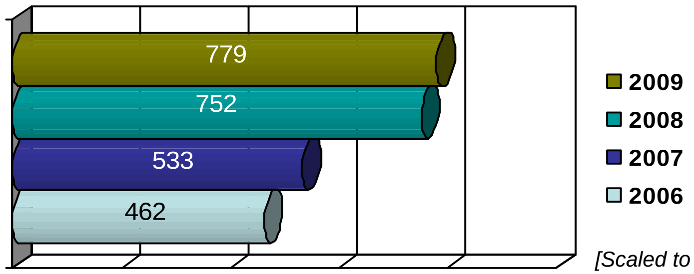
Expanding our capabilities in upstream oil, our presence in the developing markets and our aftermarket capabilities provide an opportunity to grow market share in these key industries

Sources: *Energy Information Administration, International Energy Agency, ICIS, CMAI, Industrial Information Resources*

Global Industry Outlook

Power ➔ 20% YTD Bookings

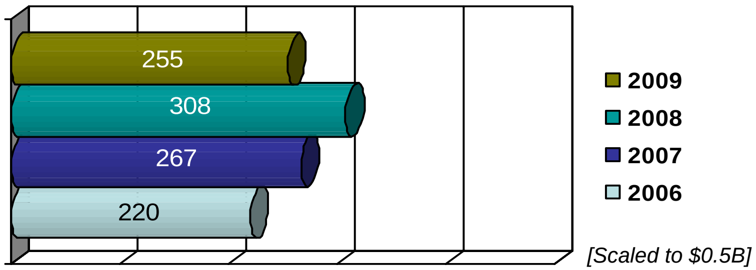
Flowserve Annual Bookings Performance Comparison
($ millions)



- Investment in power generation continues to show promise even in the tougher global economy
- Industry forecasts show plans to increase power generation globally by 1000 gigawatts or more over the next decade
- Nuclear power generation continues to draw more attention as a source of clean energy
- Alternatives such as wind and solar are targeted to measurably grow their percentage of contribution
  - ✓ Many of these projects will be required to meet the established contribution targets for alternatives by 2015 & 2020

Water ➔ 7% YTD Bookings

Flowserve Annual Bookings Performance Comparison
($ millions)



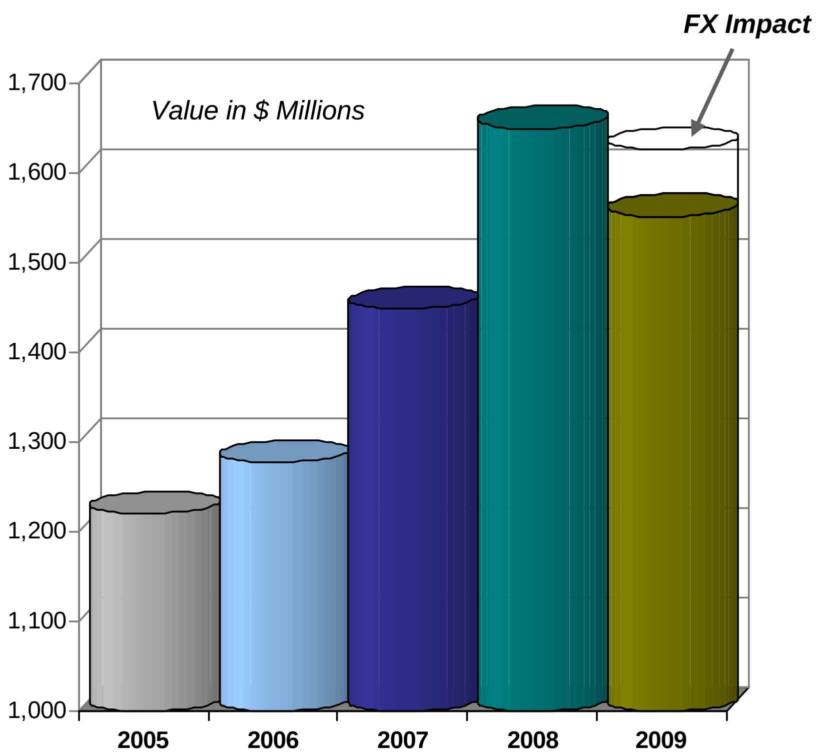
- The fresh water supply challenge continues to drive planned investments around the globe
- One demand growth estimate shows a potential supply gap of 2.4 trillion cubic meters of water by the year 2030 compared to current supplies
- Membrane reverse osmosis methodologies are forecasted to play a significant role in helping to close this gap
- In 2009, the World Bank increased its lending for water projects and have indicated that this may continue to increase in future periods

Leveraging our capabilities in power generation, our investments in applied technology and our global footprint provide an opportunity to grow market share in these key industries

Sources: International Energy Agency, Platts Power Market Reports, McKinsey Water Resources Group Report, Global Water Intelligence

Aftermarket Overview

Annual Bookings Comparison



- *The bookings volume in 2009 was adversely impacted by the global financial crisis in the first couple of months, the negative impact from currency and the overall effect of the global recession*
  - ✓ *Bookings were 6% down in 2009 compared to 2008*
  - ✓ *Excluding the negative impact from currency, bookings were only down 1.4%*
- *Through focused sales efforts and customers needing to keep continuing operations performing well, revenues held steady in 2009 compared with 2008*
- *The forecasted spend in aftermarket support for continuing operations remains favorable particularly in the mature regions*
- *The opportunity to leverage our Integrated Solutions Group provides the potential for market share growth*

We believe that the investments we have made in expanding our service capabilities around the globe positions us well for future market share growth

Sources: *Flowserve Internal Data*

FLOWSERVE

Division Updates

Flowserve Pump Division – Q4 & 2009 Segment Results

($ millions)	4th Quarter 2008	4th Quarter 2009	4th Quarter Delta ($)	4th Quarter Delta (%)	4th Quarter Constant FX (%)**	Full Year 2008	Full Year 2009	Full Year Delta ($)	Full Year Delta (%)	Full Year Constant FX (%)**
Bookings	$ 587.4	$ 520.0	$ (67.4)	(11.5%)	(15.9%)	$ 3,040.3	$ 2,207.6	$ (832.7)	(27.4%)	(22.7%)
Sales	$ 681.3	$ 753.1	$ 71.8	10.5%	3.9%	$ 2,514.8	$ 2,649.6	$ 134.8	5.4%	10.4%
Gross Profit	$ 210.6	$ 224.0	$ 13.4	6.4%		$ 786.0	$ 840.6	$ 54.6	6.9%	
Gross Margin (%)	30.9%	29.7%		(120 bps)		31.3%	31.7%		40 bps	
SG&A	$ 100.7	$ 109.0	$ 8.3	8.2%	13.2%	$ 396.7	$ 402.6	$ 5.9	1.5%	(2.3%)
SG&A (%)	14.8%	14.5%		30 bps		15.8%	15.2%		60 bps	
Income from Affiliates	$ 0.1	$ 0.6	$ 0.5	500.0%		$ 2.3	$ 3.6	$ 1.3	56.5%	
Operating Income	$ 110.1	$ 115.6	$ 5.5	5.0%	0.5%	$ 391.6	$ 441.6	$ 50.0	12.8%	20.7%
Operating Margin (%)	16.2%	15.3%		(90 bps)		15.6%	16.7%		110 bps	
Adjusted Operating Income*	$ 110.1	$ 134.2	$ 24.1	21.9%	17.3%	$ 391.6	$ 474.6	$ 83.0	21.2%	29.1%
Adjusted Operating Margin (%)*	16.2%	17.8%		160 bps		15.6%	17.9%		230 bps	

Strong execution of shipments against backlog and realignment activities while maintaining strong focus on the customer

** Adjusted operating income excludes realignment charges of $18.6 million and $33.0 million for Q4 2009 and FY 2009, respectively*

*** Constant FX represents the year over year variance assuming 2009 results at 2008 FX rates*

Flowserve Pump Division – Q4 & 2009 Segment Results

($ millions)		4th Quarter 2008	4th Quarter 2009	4th Quarter Delta (%)	4th Quarter Constant FX (%)*	Full Year 2008	Full Year 2009	Full Year Delta (%)	Full Year Constant FX (%)*
Bookings Mix	OE	335	279	(17%)	(22%)	1,979	1,228	(38%)	(33%)
		57%	54%			65%	56%		
	AM	252	241	(4%)	(8%)	1,061	980	(8%)	(3%)
		43%	46%			35%	44%		
Sales Mix	OE	427	503	18%	9%	1,532	1,683	10%	15%
		63%	67%			61%	64%		
	AM	254	250	(2%)	(6%)	983	967	(2%)	3%
		37%	33%			39%	36%		

** Constant FX represents the year over year variance assuming 2009 results at 2008 FX rates*

Mix shift to aftermarket bookings reflects steady aftermarket performance

Flow Solutions Division – Q4 & 2009 Segment Results

($ millions)	4th Quarter					Full Year				
	2008	2009	Delta ($)	Delta (%)	Constant FX (%)**	2008	2009	Delta ($)	Delta (%)	Constant FX (%)**
Bookings	$ 155.3	$ 147.7	$ (7.6)	(4.9%)	(9.4%)	$ 668.8	$ 553.9	$ (114.9)	(17.2%)	(14.0%)
Sales	$ 158.2	$ 154.5	$ (3.7)	(2.3%)	(6.8%)	$ 653.7	$ 579.2	$ (74.5)	(11.4%)	(7.7%)
Gross Profit	$ 75.8	$ 68.5	$ (7.3)	(9.6%)		$ 299.1	$ 264.8	$ (34.3)	(11.5%)	
Gross Margin (%)	47.9%	44.3%		(360 bps)		45.8%	45.7%		(10 bps)	
SG&A	$ 46.3	$ 47.0	$ 0.7	1.5%	5.8%	$ 176.8	$ 169.5	$ (7.3)	(4.1%)	(7.5%)
SG&A (%)	29.3%	30.5%		(120 bps)		27.1%	29.3%		(220 bps)	
Income from Affiliates	$ 1.8	$ 3.0	$ 1.2	66.7%		$ 6.9	$ 7.5	$ 0.6	8.7%	
Operating Income	$ 31.2	$ 24.4	$ (6.8)	(21.8%)	(28.2%)	$ 129.2	$ 102.7	$ (26.5)	(20.5%)	(14.3%)
Operating Margin (%)	19.7%	15.8%		(390 bps)		19.8%	17.7%		(210 bps)	
Adjusted Operating Income*	$ 31.2	$ 35.4	$ 4.2	13.5%	7.1%	$ 129.2	$ 123.3	$ (5.9)	(4.6%)	1.6%
Adjusted Operating Margin (%)*	19.7%	22.9%		320 bps		19.8%	21.3%		150 bps	

Realignment initiatives and aftermarket focus helped maintain margins despite year-over-year decline in project activity

** Adjusted operating income excludes realignment charges of $11.0 million and $20.6 million for Q4 2009 and FY 2009, respectively*

*** Constant FX represents the year over year variance assuming 2009 results at 2008 FX rates*

Flow Solutions Group Overview

- Previously announced combination of the separate operations of the Flowserve Pump Division and the Flow Solutions Division into the new Flow Solutions Group (FSG), effective January 1, 2010
  - ✓ Will drive an enhanced customer facing organization and leverage best practices and capabilities
    - ✓ Enhances flexibility to provide customer with tailored coverage and faster delivery of solutions and technology, while optimizing project package engineering and delivery
    - ✓ Provides greater efficiency for integrated component manufacturing by leveraging global spending and manufacturing resources
    - ✓ Improves productivity in the design, manufacture, distribution and service of our product portfolio
    - ✓ Leverages the global footprint of manufacturing and QRCs
- FSG will be divided into two reportable segments based on type of product:
  - ✓ Engineered – includes longer lead-time, highly engineered pump product operations of former FPD and most of former FSD
  - ✓ Industrial – consists of more standardized, general purpose pump products of former FPD
  - ✓ Will be effective with our Q1 2010 reporting – historical data will be recast to conform to the new segment reporting

Flow Control Division – Q4 & 2009 Segment Results

($ millions)	4th Quarter					Full Year				
	2008	2009	Delta ($)	Delta (%)	Constant FX (%)**	2008	2009	Delta ($)	Delta (%)	Constant FX (%)**
Bookings	$ 299.4	$ 291.2	$ (8.2)	(2.7%)	(7.7%)	$ 1,486.4	$ 1,198.3	$ (288.1)	(19.4%)	(15.8%)
Sales	$ 346.0	$ 310.0	$ (36.0)	(10.4%)	(15.3%)	$ 1,381.7	$ 1,203.2	$ (178.5)	(12.9%)	(8.9%)
Gross Profit	$ 126.1	$ 117.0	$ (9.1)	(7.2%)		$ 497.7	$ 445.2	$ (52.5)	(10.5%)	
Gross Margin (%)	36.4%	37.7%		130 bps		36.0%	37.0%		100 bps	
SG&A	$ 76.0	$ 61.8	$ (14.2)	(18.7%)	(14.7%)	$ 287.1	$ 245.9	$ (41.2)	(14.4%)	(18.2%)
SG&A (%)	22.0%	19.9%		210 bps		20.8%	20.4%		40 bps	
Income from Affiliates	$ 1.2	$ 0.6	$ (0.6)	(50.0%)		$ 8.0	$ 4.8	$ (3.2)	(40.0%)	
Operating Income	$ 51.3	$ 55.7	$ 4.4	8.6%	2.7%	$ 218.7	$ 204.1	$ (14.6)	(6.7%)	(2.1%)
Operating Margin (%)	14.8%	18.0%		320 bps		15.8%	17.0%		120 bps	
Adjusted Operating Income*	$ 51.3	$ 58.9	$ 7.6	14.8%	9.0%	$ 218.7	$ 215.6	$ (3.1)	(1.4%)	3.2%
Adjusted Operating Margin (%)*	14.8%	19.0%		420 bps		15.8%	17.9%		210 bps	

Margin improvements reflect timely response to market dynamics in 2009

** Adjusted operating income excludes realignment charges of $3.2 million and $11.5 million for Q4 2009 and FY 2009, respectively*

*** Constant FX represents the year over year variance assuming 2009 results at 2008 FX rates*

Financial Update

Q4 & 2009 – Consolidated Financial Results

($ millions)	4th Quarter 2008	4th Quarter 2009	4th Quarter Delta (%)	4th Quarter Constant FX (%)**	Full Year 2008	Full Year 2009	Full Year Delta (%)	Full Year Constant FX (%)**
Bookings	$ 1,024.4	$ 938.9	(8.3%)	(13.0%)	$ 5,105.7	$ 3,885.3	(23.9%)	(19.7%)
Sales	$ 1,169.0	$ 1,199.1	2.6%	(3.4%)	$ 4,473.5	$ 4,365.3	(2.4%)	2.2%
Gross Margin (%)	35.2%	34.1%	(110 bps)		35.3%	35.5%	20 bps	
SG&A (%)	21.8%	20.9%	90 bps		21.9%	21.4%	50 bps	
Operating Income	$ 159.5	$ 162.4	1.8%	(4.5%)	$ 615.7	$ 629.5	2.2%	10.0%
Operating Margin (%)	13.6%	13.5%	(10 bps)		13.8%	14.4%	60 bps	
Adjusted Operating Income*	$ 159.5	$ 197.3	23.7%	17.4%	$ 615.7	$ 697.6	13.3%	21.1%
Adjusted Operating Margin (%)*	13.6%	16.5%	290 bps		13.8%	16.0%	220 bps	
Diluted EPS*	$ 2.03	$ 1.96	(3.4%)		$ 7.71	$ 7.59	(1.6%)	
Adjusted EPS*	$ 2.03	$ 2.41	18.7%		$ 7.71	$ 8.47	9.9%	

- As of 12/31/09, 2.3 million shares (544,500 FY 2009) had been repurchased in conjunction with the company's previously announced $300 million buyback program
** Adjusted operating income and adjusted EPS exclude realignment charges of $34.9 million and $68.1 million for Q4 2009 and FY 2009, respectively*
*** Constant FX represents the year over year variance assuming 2009 results at 2008 FX rates*

Earnings and margin performance driven by cost control initiatives, realignment progress, and 2008 pricing in beginning year backlog

Quarterly & Full Year 2009 Cash Flows

($ millions)	Q1	Q2	Q3	Q4	Full Year	
	2009	2009	2009	2009	2008	2009
Net Income	93	108	117	110	445	428
Depreciation and Amortization	21	27	24	26	83	98
Change in Working Capital	(332)	(13)	(2)	284	(84)	(63)
Other	39	(20)	(57)	6	(35)	(32)
Total Operating Activities	**(179)**	**102**	**82**	**426**	**409**	**431**
Capital expenditures	(44)	(20)	(23)	(21)	(127)	(108)
Acquisition and Other	-	(29)	(2)	-	7	(31)
Total Investing Activities	**(44)**	**(49)**	**(25)**	**(21)**	**(120)**	**(139)**
Net payments under lines of credit	(2)	1	(3)	(2)	(6)	(6)
Dividends	(14)	(15)	(15)	(15)	(51)	(59)
Proceeds of debt or other	(1)	-	3	(6)	25	(4)
Repurchase of common shares	(7)	(9)	(12)	(13)	(165)	(41)
Proceeds from stock option activity	-	1	1	1	12	3
Total Financing Activities	**(24)**	**(22)**	**(26)**	**(35)**	**(185)**	**(107)**
Effect of exchange rates	**(24)**	**19**	**9**	**(7)**	**(5)**	**(3)**
Net Increase (Decrease) in Cash	**(271)**	**50**	**40**	**363**	**99**	**182**

Strong cash flow resulted in cash balances exceeding debt at end of 2009

Selected Uses of Cash

($ millions)	2005	2006	2007	2008	2009
Capital Expenditures	49.3	73.5	89.0	126.9	108.4
Share Repos/Dividends	-	63.2	70.5	216.4	100.2
Pension Funding	44.8	36.3	16.1	50.8	83.1
Debt Repayment*	39.9	105.3	2.8	5.7	5.7
A/R Factoring/Securitization	47.3	(23.0)	5.2	63.9	-
Net Acquisitions/(Divestitures)	(13.6)	4.3	(11.1)	(7.3)	30.2
Realignment	-	6.6	-	-	22.4
Total	**167.7**	**266.2**	**172.5**	**456.4**	**350.0**
Cash Balance	**92.9**	**67.0**	**373.2**	**472.1**	**654.3**

** Includes scheduled, mandatory and optional debt repayments*

Used cash to grow business, strengthen balance sheet, and enhance returns

FLOWSERVE

Strong Operating Platform

($ millions)	2005	2006	2007	2008	2009
Gross Bookings	3,022.3	3,617.0	4,318.7	5,105.7	3,885.3
Sales	2,695.3	3,061.1	3,762.7	4,473.5	4,365.3
Ending Backlog	994.1	1,630.0	2,276.6	2,825.1	2,371.2
SG&A % / Sales*	25.3%	25.1%	22.8%	21.9%	20.8%
Corporate Expense % / Sales*	4.6%	4.6%	3.5%	2.7%	2.6%
Operating Margin (%)*	7.5%	8.2%	10.9%	13.8%	16.0%
Operating Income*	201.2	252.5	411.9	615.7	697.6
Tax Rate	43.6%	38.8%	28.8%	24.9%	26.8%
Diluted EPS (cont ops)	$0.91	$2.01	$4.44	$7.71	$7.59
Manufacturing Footprint (000's sq ft)	7,100	6,700	6,800	7,100	7,000
RONA (Return on Avg. Net Assets)**	5.1%	7.9%	12.5%	18.4%	18.7%

Continued focus on cost efficiency and optimizing the operating platform

** SG&A and operating income exclude realignment charges of $2.4 million in 2005, $12.9 million in 2006, and $1.0 million in 2008. SG&A and operating income exclude realignment charges of $26.6 million and $68.1 million, respectively in FY 2009*

*** RONA (Return on Avg. Net Assets) calculated using trailing 12-months net income and net average assets, excluding tax-effected realignment charges*

Realignment Overview

- Initial Program announced in early 2009 designed to reduce and optimize certain non-strategic manufacturing facilities and overall cost structure
  - ✓ Substantially complete
  - ✓ Incurred costs of $37.6M
- Expanded Program announced in October 2009 designed to expand efforts to seek synergies in customer facing activities and project pursuit and to reduce overall cost structure, including additional efforts to optimize assets
  - ✓ Initiated in Q4 and will continue into 2010
  - ✓ Incurred costs of $30.5M in 2009
- Expanded Realignment Program
  - ✓ Incurred costs of $68M and achieved savings of $33M in 2009
  - ✓ For identified projects, we expect savings of $95 million in 2010 and an annual run-rate savings of $110M, the majority of which will be structural
  - ✓ Expect to incur up to $20M of additional costs in 2010

Realignment should provide a more efficient platform to be leveraged in future periods

2010 Outlook

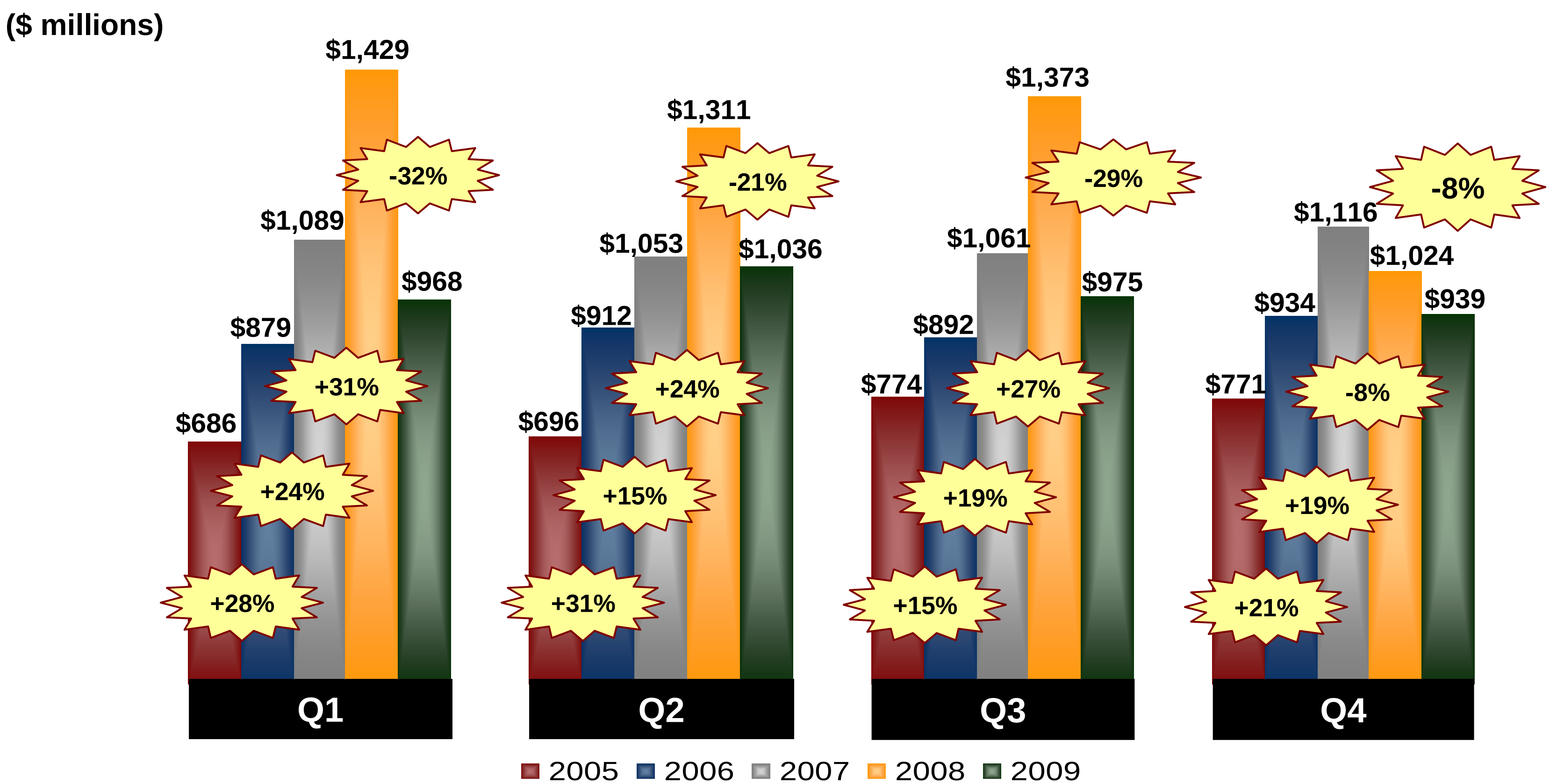
- Cash use priorities in 2010
  - ✓ Estimate capital expenditures to be $110 million - $125 million
  - ✓ Estimate U.S. pension fund contributions to be $30 million - $40 million
  - ✓ $94 million remaining under current $300 million share repurchase program
  - ✓ Increased dividend 7.4% from $0.27/share to $0.29/share
  - ✓ Funding realignment costs accrued in 2009 and 2010
  - ✓ Other strategic opportunities, after disciplined analysis
- Currency issues
  - ✓ Estimated after-tax charge of around $14 million (approximately $0.25/share) in Q1 2010 related to previously announced Venezuelan Currency Devaluation
  - ✓ Closely watching US dollar fluctuations versus world currencies for earnings volatility
- Realignment
  - ✓ Approximately $20 million (approximately $0.26 per share) in planned realignment charges

Reaffirming 2010 full year EPS target range of $6.35 to $7.15 including approximately $20 million (approximately $0.26 per share) in realignment charges and an estimated after-tax charge of around $14 million (approximately $0.25 per share) related to the Venezuelan Currency Devaluation

Questions and Answers

Appendix

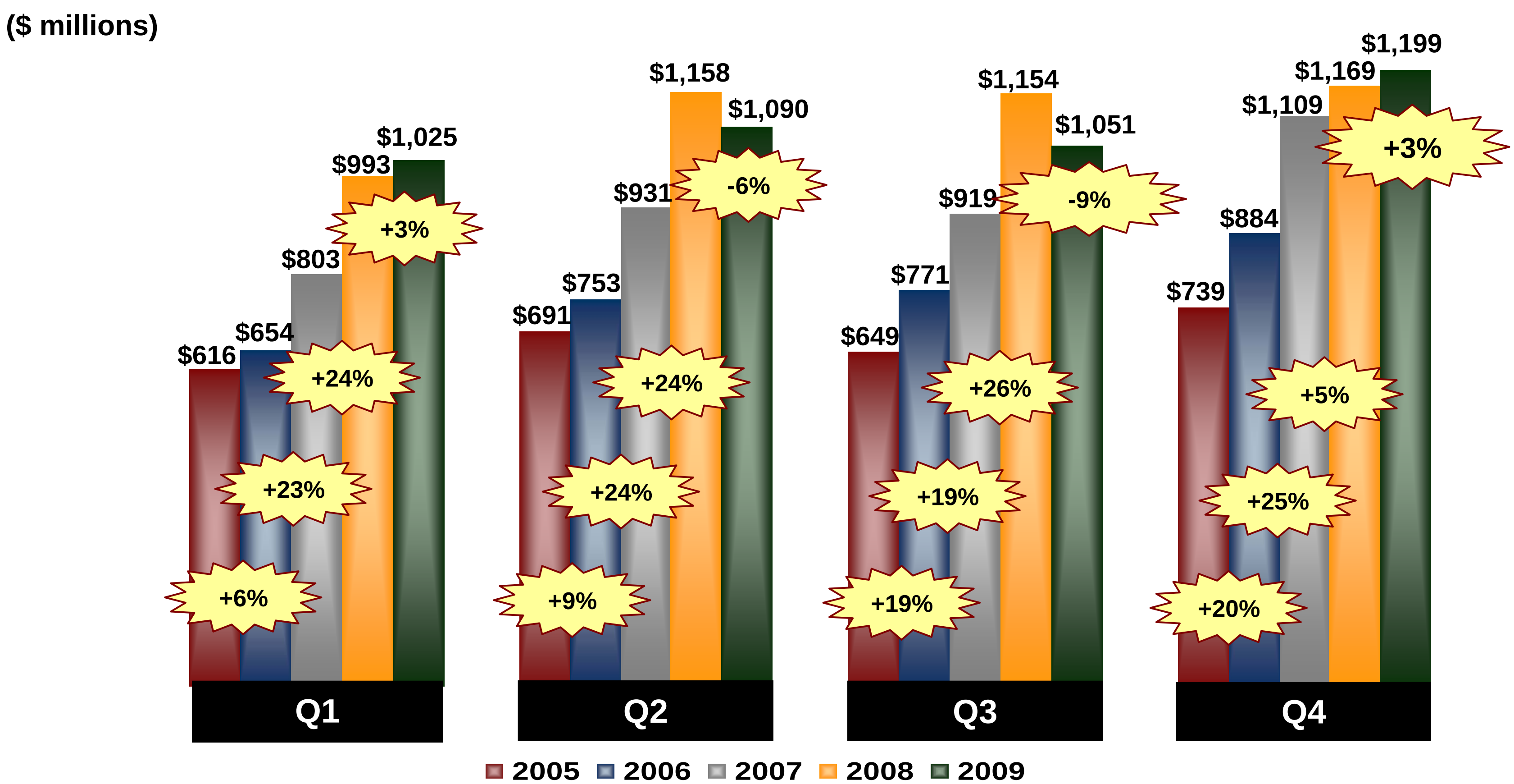
Quarterly Bookings Performance



- Represents Q1 2009, Q2 2009, Q3 2009 and Q4 2009 gross bookings excluding cancellations of $14.8 million, $9.4 million, $44.7 million and $5.5 million, respectively.

- Q4 2009 bookings included positive currency impact of approximately $48 million compared to Q4 2008

Quarterly Sales Performance

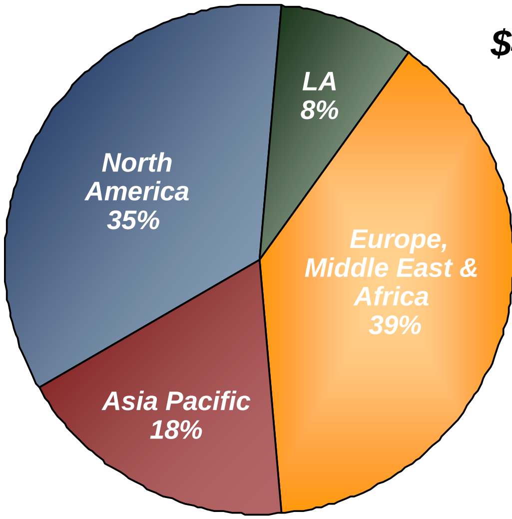


- Q4 2009 sales included positive currency impact of approximately $70 million compared to Q4 2008

Flowserve Markets – Sales

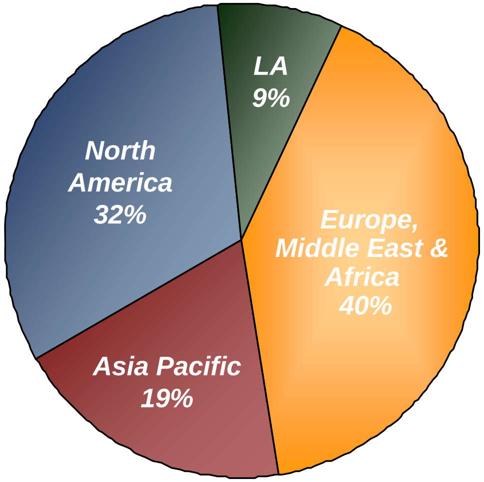
2008 Sales by Region

$4.47B



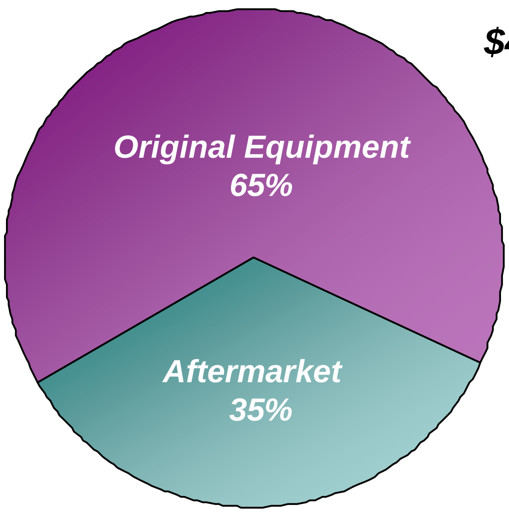
2009 Sales by Region

$4.37B



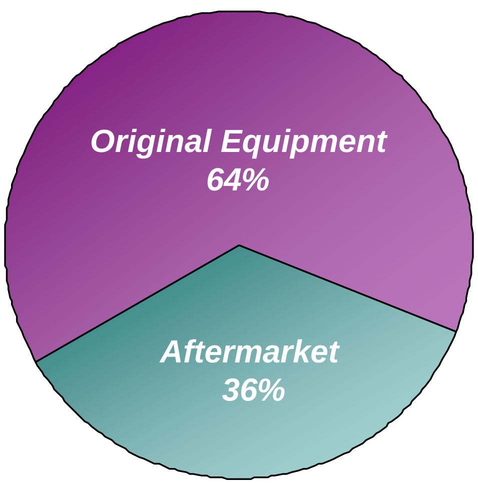
2008 Sales Mix

$4.47B



2009 Sales Mix

$4.37B



2009 Full Year – Realignment Overview

($ millions)	Restructuring				
	FPD	**FCD**	**FSD**	**Other**	**Total**
Cost of Sales	14.3	0.5	4.9	0.7	20.4
SG&A	3.3	0.2	6.9	1.4	11.8
Total	17.6	0.7	11.8	2.1	32.2

	Non-Restructuring				
	FPD	**FCD**	**FSD**	**Other**	**Total**
Cost of Sales	9.4	7.0	4.6	0.1	21.1
SG&A	6.0	3.8	4.2	0.8	14.8
Total	15.4	10.8	8.8	0.9	35.9

	Total Realignment				
	FPD	**FCD**	**FSD**	**Other**	**Total**
Cost of Sales	23.7	7.5	9.5	0.8	41.5
SG&A	9.3	4.0	11.1	2.2	26.6
Total	33.0	11.5	20.6	3.0	68.1

- All amounts noted above are under review and subject to change

Non-GAAP Reconciliation

Divisional Adjusted Operating Income

($ millions)	Q4 2009		
	FPD	FCD	FSD
Reported GAAP Operating Income	115.6	55.7	24.4
Realignment Charges	18.6	3.2	11.0
Adjusted Operating Income	134.2	58.9	35.4

($ millions)	Full Year		
	FPD	FCD	FSD
Reported GAAP Operating Income	441.6	204.1	102.7
Realignment Charges	33.0	11.5	20.6
Adjusted Operating Income	474.6	215.6	123.3

Note: Flowserve supplements its reporting of operating income determined in accordance with GAAP by using adjusted operating income. Flowserve's adjusted operating income reflects management's judgment of particular items and may not be comparable to similarly titled measures reported by other companies.

Consolidated Adjusted Operating Income and EPS

($ millions)	Q4 2009 Operating Income	Q4 2009 Diluted EPS	Full Year Operating Income	Full Year Diluted EPS
Reported GAAP	162.4	$1.96	629.5	$7.59
Realignment Charges	34.9	$0.45	68.1	$0.88
Adjusted	197.3	$2.41	697.6	$8.47

Note: Flowserve supplements its reporting of operating income and diluted earnings per share determined in accordance with GAAP by using adjusted operating income and adjusted diluted earnings per share. Flowserve's adjusted operating income and adjusted diluted earnings per share reflect management's judgment of particular items and may not be comparable to similarly titled measures reported by other companies.