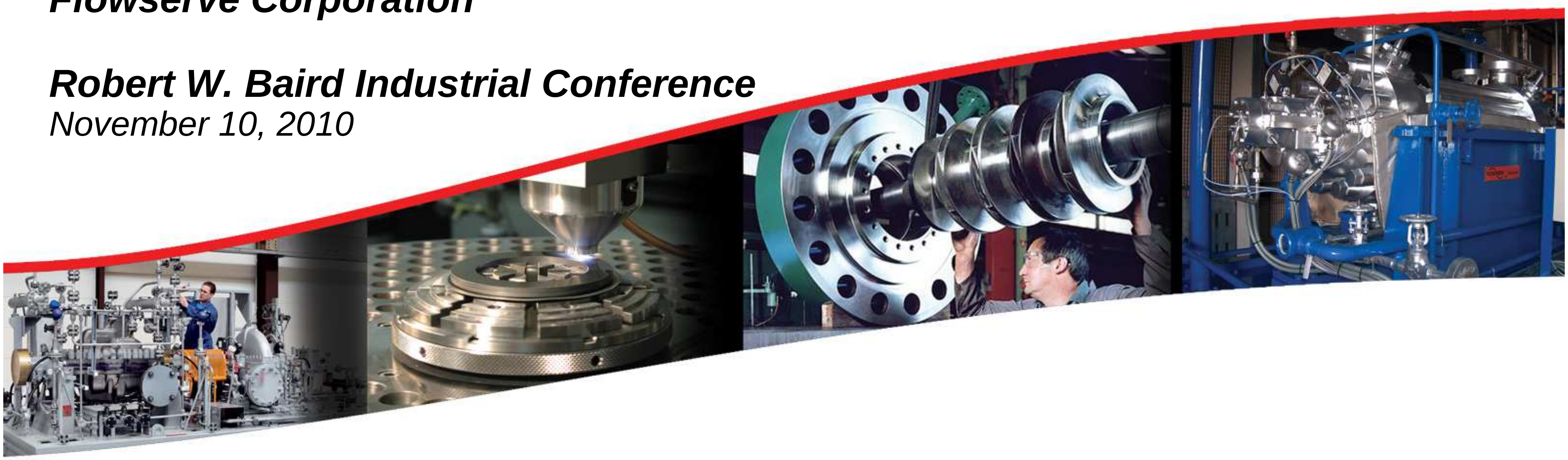
Flowserve Corporation

Robert W. Baird Industrial Conference

November 10, 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 oil and gas, chemical, power generation and water management 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 oil and gas 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; expectations regarding acquisitions and the integration of acquired businesses; 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 intangible assets; 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.

FLOWSERVE

Strategic Overview

A Leading Portfolio of Products, Solutions & Services

A Broad Set of Product Capabilities

Pumps - Valves - Seals

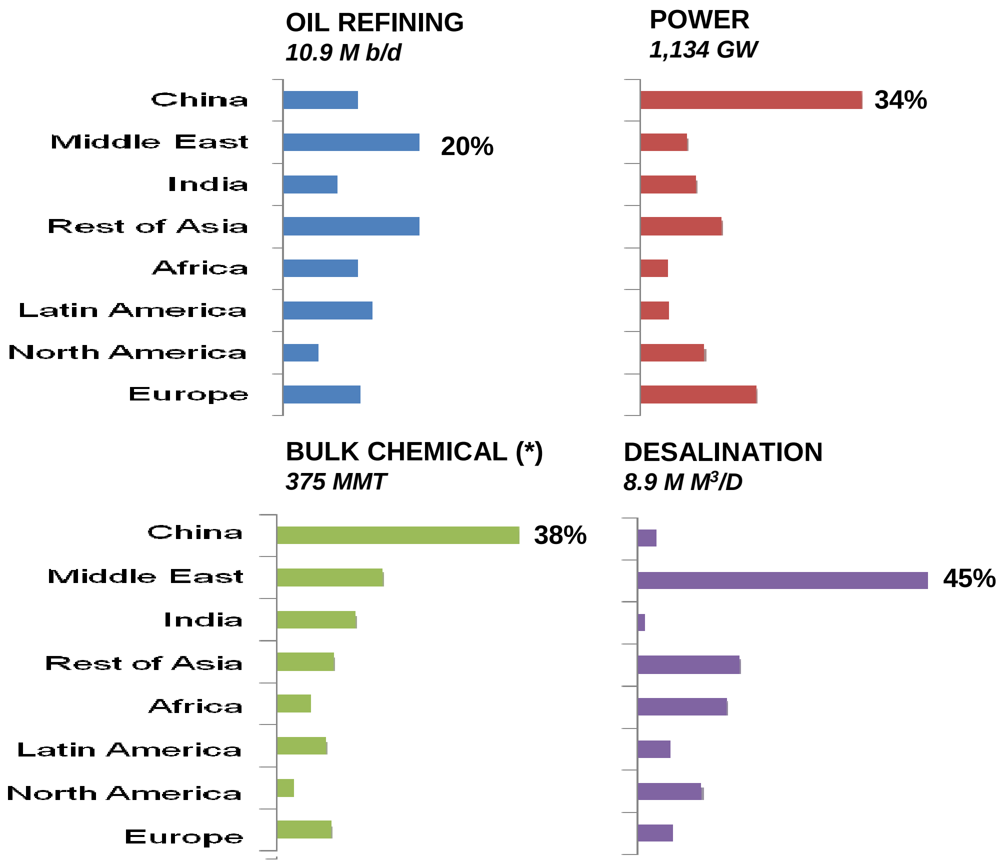
Critical Industry Application Solutions

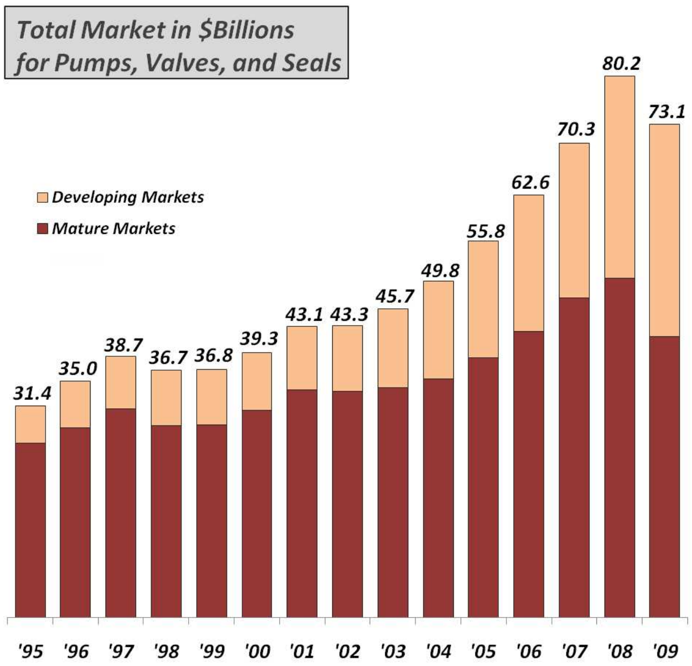
Aftermarket Support Services

- ***Global Quick Response Center (QRC) Footprint***
- ***Product Management***
- ***Skills Management***
- ***Operations Management***

Flowserve Applies Our Product Expertise to Provide Value-Add for Our Customers

Forecasted Capacity Expansion (2011 – 2015) & Historic Market Growth





Each bar in the charts represents the percentage of the total proposed capacity additions associated with each region

(*) Chemicals included are ammonia, caustic soda, chlorine, ethylene, polypropylene, polyvinyl chloride, propylene, styrene and urea

As denoted in the industry charts above, China and the Middle East are projected to lead the forecasted investments in capacity expansion with a level of investment occurring in all regions

Sources: *Industrial Info Resources, GlobalData, Platts, ICIS.com, DesalData (GWI), Country Government Plans, Flowserve Internal Data*

Strategic Direction

Key Strategies	Selected Actions
Disciplined Profitable Growth	➢ *Remain focused on flow management as a core competency, added Valbart in July* ➢ *Maintain a value-based competitive offering meeting the needs of our customers*
Customer Intimacy	➢ *The integration of our pump and seal business into a common customer facing organization* ➢ *The creation of our Integrated Solutions Group to focus on life cycle solutions*
Innovation & Portfolio Mgmt	➢ *R&D investment in diagnostic capabilities such as ValveSight and Intelligent Pumps* ➢ *Addition of Calder to expand capabilities in Desalination and Valbart to fill product gap in Oil & Gas*
Strategic Localization	➢ *Expansion of manufacturing capability and capacity in Brazil* ➢ *Continued investment in expanding and enhancing our global QRC footprint*
Operational Excellence	➢ *Expansion in global operations which leverage low cost sourcing* ➢ *Continued focus on expanding and utilizing our capabilities in OTD, CIP, LEAN and Six Sigma* ➢ *Realignment program to eliminate inefficient capacity and focus portfolio*
Sustainable Business Model	➢ *Strategically invest in growth maintaining the appropriate risk for superior long term returns* ➢ *Strategically expand and enhance our presence in developing regions around the world*

Employee Focus

Our key strategies provide the platform for sustaining disciplined profitable growth and increasing shareholder value

Near Term Market Outlook

- Long cycle demand is expected to remain choppy into 2011
- Short cycle recovery notably improved in chemical and general industrial markets in developing regions
- Aftermarket demand has remained relatively stable in mature markets and is growing in developing regions

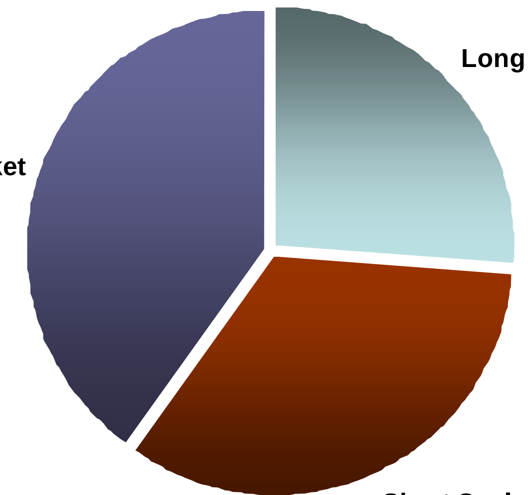
What We've Done

- During the downturn, leveraged our operating platform and customer facing solutions approach by integrating our former Pump and Seal divisions
- Strategically focused on IPD platform improvement opportunities as part of re-segmentation
- Continued to invest in emerging market localization and growth
- Continued investment in global QRC network and integrated solutions capabilities to support aftermarket growth
- Expanded our product offering by acquiring Valbart to enhance technology and portfolio solutions
- Executed structural cost and realignment initiatives while continuing to improve effectiveness and efficiencies

Maintained adjusted operating margin of 14.1% in Q3 and 15.0% YTD during challenging business cycle

How We Think About Our Businesses

- Aftermarket business has proven to be resilient
- Long Cycle Projects – Mainly EPD project work to expanded global footprint to meet growing emerging market and aftermarket demand
- Short Cycle Markets (FCD) -- Grown the business organically with good margins, and inorganically with high margin opportunity
- Short Cycle Markets (IPD) – Continuing commitment to target margin improvement



Performing through the cycle and poised for better performance

Path Forward

- Markets are forecasted to return on the strength of demand for global infrastructure in energy, chemical, and water
- Our balance sheet is positioned to support both organic and inorganic growth
- We have positioned the company for recovery in project business and continued growth in emerging markets and aftermarket demands
- Cost controls and operating efficiencies help to offset a continued challenging pricing environment
- Flowserve employees have executed well in meeting customer commitments, returning shareholder value, and driving sustainable profitable growth

We believe that we have weathered the downturn well to date and are dealing with the short term realities of this environment while continuing to position the company for long term growth

Financial Update

Strong Operating Platform

($ millions)	2005	2006	2007	2008	2009	2010 Q3 YTD
Sales	2,695.3	3,061.1	3,762.7	4,473.5	4,365.3	2,891.7
Ending Backlog	994.1	1,630.0	2,276.6	2,825.1	2,371.2	2,708.8
SG&A / Sales*	25.3%	25.1%	22.8%	21.9%	20.8%	21.4%
Corporate Expense % / Sales*	4.6%	4.6%	3.5%	2.7%	2.6%	2.0%
Operating Margin (%)*	7.5%	8.2%	10.9%	13.8%	16.0%	14.8%
Operating Income*	201.2	252.5	411.9	615.7	697.6	427.6
Tax Rate	43.6%	38.8%	28.8%	24.9%	26.8%	26.8%
Manufacturing Footpring (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, $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, and $0.7 million and $10.3 million respectively in 2010 Q3 YTD.*

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

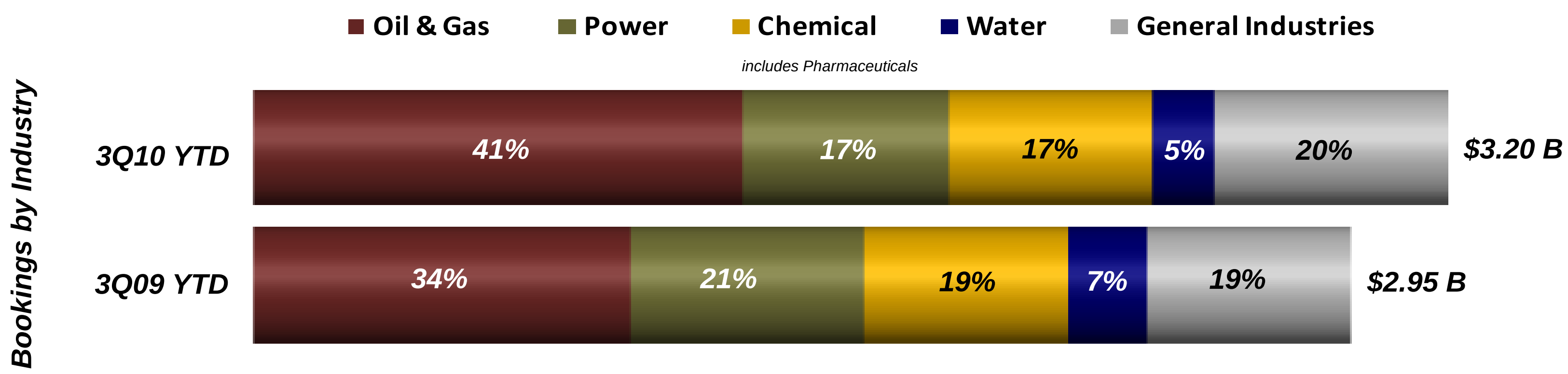
Selected Uses of Cash

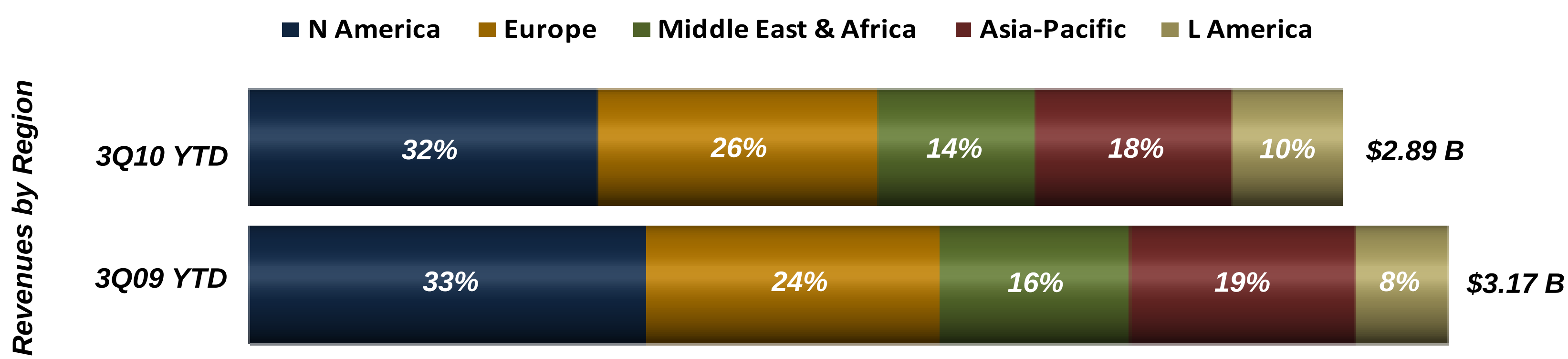
($ millions)	2005	2006	2007	2008	2009	2010 Q3 YTD
Capital Expenditures	49.3	73.5	89.0	126.9	108.4	46.4
Share Repos/Dividends	-	63.2	70.5	216.4	100.2	81.5
Pension Funding	44.8	36.3	16.1	50.8	83.1	30.0
Debt Repayment*	39.9	105.3	2.8	5.7	5.7	4.3
A/R Factoring/Securitization	47.3	(23.0)	5.2	63.9	-	-
Net Acquisitions/(Divestitures)	(13.6)	4.3	(11.1)	(7.3)	30.2	199.4
Realignment	-	6.6	-	-	22.4	24.4
Total	**167.7**	**266.2**	**172.5**	**456.4**	**350.0**	**386.0**

** Includes scheduled, mandatory and optional debt repayments net of refinanced amounts.*

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

Bookings & Revenues YTD Comparisons

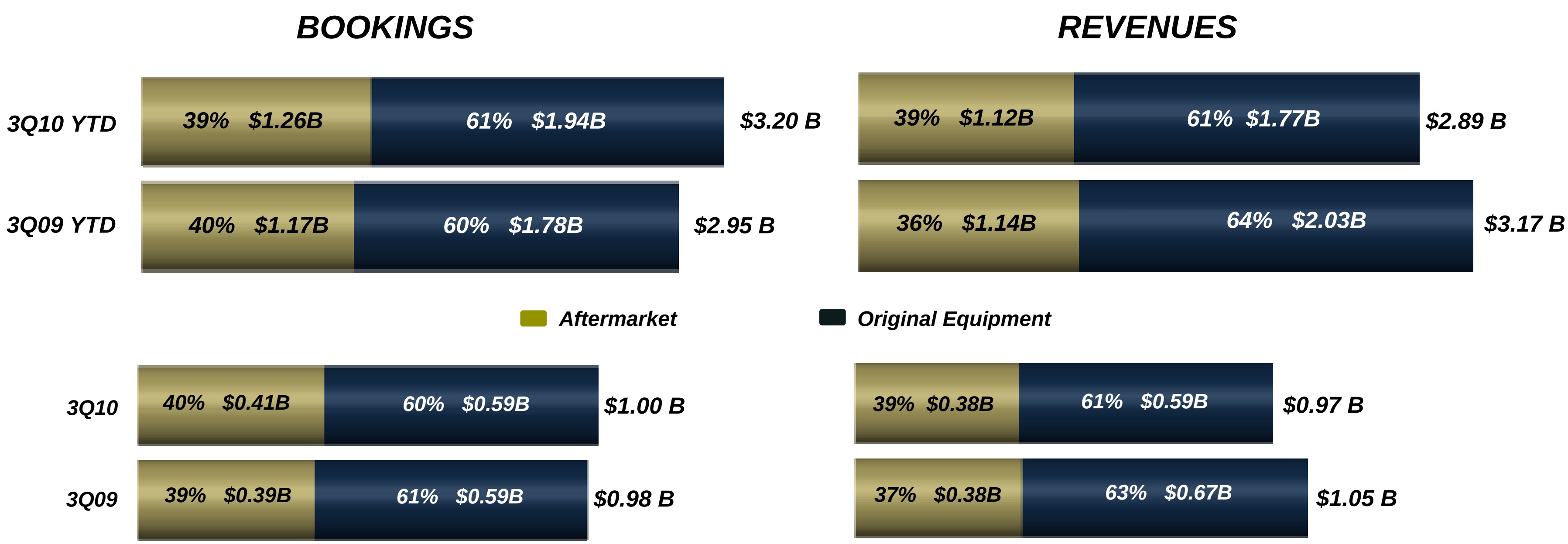




Improvements in Oil & Gas activity, stabilization in the chemical industry and recovery in several smaller general industries have contributed to bookings growth in 2010

Sources: *Flowserve Internal Data*

2010 Aftermarket Business Review



- *Aftermarket bookings for the first nine months of 2010 grew 7.9% ($92.4 mil) compared to the same period in 2009 (including a benefit from currency), and for Q3 2010 grew 5.3% ($20.3 mil) compared to Q3 2009 (including a currency headwind)*
- *Current business opportunities are favorable in parts and integrated solutions – service opportunities are still challenging with several customers performing their own service requirements*

Aftermarket remains a significant component of our long term growth strategy as well as a path to building a sustainable long term relationship with our customers

Sources: *Flowserve Internal Data*

Q3 2010 – Consolidated Financial Results

($ millions)	3rd Quarter 2009	3rd Quarter 2010	3rd Quarter Delta ($)	3rd Quarter Delta (%)	3rd Quarter Constant FX (%)**	Year-To-Date 2009	Year-To-Date 2010	Year-To-Date Delta ($)	Year-To-Date Delta (%)	Year-To-Date Constant FX (%)**
Bookings	$ 975.3	$ 1,000.3	$ 25.0	2.6%	4.8%	$ 2,946.0	$ 3,202.2	$ 256.2	8.7%	8.2%
Sales	$ 1,051.1	$ 971.7	$ (79.4)	(7.6%)	(4.5%)	$ 3,166.2	$ 2,891.7	$ (274.5)	(8.7%)	(8.7%)
Gross Profit	$ 385.2	$ 333.5	$ (51.7)	(13.4%)		$ 1,139.3	$ 1,025.2	$ (114.1)	(10.0%)	
Gross Margin (%)	36.6%	34.3%		(230 bps)		36.0%	35.5%		(50 bps)	
SG&A	$ 227.3	$ 207.7	$ (19.6)	(8.6%)	(11.7%)	$ 683.9	$ 620.3	$ (63.6)	(9.3%)	(9.2%)
SG&A (%)	21.6%	21.4%		(20 bps)		21.6%	21.5%		(10 bps)	
Income from Affiliates	$ 3.3	$ 3.4	$ 0.1	3.0%		$ 11.7	$ 12.5	$ 0.8	6.8%	
Operating Income	$ 161.2	$ 129.2	$ (32.0)	(19.9%)	(18.6%)	$ 467.1	$ 417.4	$ (49.7)	(10.6%)	(11.1%)
Operating Margin (%)	15.3%	13.3%		(200 bps)		14.8%	14.4%		(40 bps)	
Adjusted Operating Income*	$ 164.8	$ 131.3	$ (33.5)	(20.3%)		$ 500.3	$ 427.6	$ (72.7)	(14.5%)	
Adjusted Operating Margin (%)*	15.7%	13.5%		(220 bps)		15.8%	14.8%		(100 bps)	
Other / Income (Expense), net	$ 7.0	$ 18.6	$ 11.6	165.7%		$ (2.4)	$ (15.3)	$ (12.9)	(537.5%)	
Tax Expense	$ 42.0	$ 35.7	$ (6.3)	(15.0%)		$ 118.6	$ 101.1	$ (17.5)	(14.8%)	
Net Earnings	$ 116.9	$ 103.9	$ (13.0)	(11.1%)		$ 317.5	$ 275.7	$ (41.8)	(13.2%)	
Diluted EPS	$ 2.07	$ 1.84	$ (0.23)	(11.1%)		$ 5.63	$ 4.89	$ (0.74)	(13.1%)	
Adjusted EPS*	$ 2.12	$ 1.87	$ (0.25)	(11.8%)		$ 6.06	$ 5.02	$ (1.04)	(17.2%)	

As of October 28th, updated 2010 full year EPS target range to between $6.70 to $7.15 including approximately $20 million (approximately $0.26 per share) in realignment charges and an estimated after-tax charge of around $8.4 million (approximately $0.15 per share) related to the Venezuelan Currency Devaluation

- As of 9/30/10, 2.6 million shares (112,500 Q3 2010) 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 $3.6 million and $2.1 million for Q3 2009 and Q3 2010, respectively. Adjusted operating income and adjusted EPS exclude realignment charges of $33.2 million and $10.2 million for 2009 YTD and 2010 YTD, respectively.*

*** Constant FX represents the year over year variance assuming 2010 results at 2009 FX rates.*

Realignment Overview

- Combined realignment program included initiatives to:
  - ✓ Scale the business and reduce cost
  - ✓ Help optimize certain non-strategic manufacturing facilities and other assets
  - ✓ Enhance our customer facing organization
- Total costs incurred to date – $78.3 million
  - ✓ Net charge YTD 2010 approximately $10.2 million
  - ✓ Approximately $7.5 million of charges programmed for the balance of 2010
- 2010 realignment savings expected to approximate $93 million
  - ✓ Savings in Q3 2010 approximated $25 million, $65 million year-to-date
- Annual run rate savings estimated at about $115 million by 2011

The effects of realignment have started to provide margin benefits

Questions and Answers

Appendix

FLOWSERVE

Engineered Product Division
Q3 2010 Segment Results

($ millions)	3rd Quarter 2009	3rd Quarter 2010	3rd Quarter Delta ($)	3rd Quarter Delta (%)	3rd Quarter Constant FX (%)**	Year-To-Date 2009	Year-To-Date 2010	Year-To-Date Delta ($)	Year-To-Date Delta (%)	Year-To-Date Constant FX (%)**
Bookings	$ 468.5	$ 497.9	$ 29.4	6.3%	6.9%	$ 1,507.3	$ 1,719.5	$ 212.2	14.1%	12.6%
Sales	$ 540.7	$ 511.3	$ (29.4)	(5.4%)	(3.2%)	$ 1,660.2	$ 1,567.6	$ (92.6)	(5.6%)	(6.1%)
Gross Profit	$ 206.2	$ 184.8	$ (21.4)	(10.4%)		$ 619.2	$ 575.1	$ (44.1)	(7.1%)	
Gross Margin (%)	38.1%	36.1%		(200 bps)		37.3%	36.7%		(60 bps)	
SG&A	$ 97.6	$ 95.1	$ (2.5)	(2.6%)	(4.6%)	$ 302.2	$ 283.8	$ (18.4)	(6.1%)	(5.1%)
SG&A (%)	18.1%	18.6%		50 bps		18.2%	18.1%		(10 bps)	
Income from Affiliates	$ 2.6	$ 3.1	$ 0.5	19.2%		$ 7.5	$ 10.1	$ 2.6	34.7%	
Operating Income	$ 111.1	$ 92.8	$ (18.3)	(16.5%)	(15.6%)	$ 324.4	$ 301.4	$ (23.0)	(7.1%)	(7.7%)
Operating Margin (%)	20.5%	18.1%		(240 bps)		19.5%	19.2%		(30 bps)	
Adjusted Operating Income*	$ 112.2	$ 92.9	$ (19.3)	(17.2%)		$ 342.7	$ 301.9	$ (40.8)	(11.9%)	
Adjusted Operating Margin (%)*	20.8%	18.2%		(260 bps)		20.6%	19.3%		(130 bps)	

Q3 Margin performance was affected by lower sales levels and pricing headwinds

**Adjusted operating income excludes realignment charges of $1.1 million and $0.1 million for Q3 2009 and Q3 2010, respectively. Adjusted operating income excludes realignment charges of $18.3 million and $0.5 million for 2009 YTD and 2010 YTD, respectively.*

*** Constant FX represents the year over year variance assuming 2010 results at 2009 FX rates.*

Industrial Product Division
Q3 2010 Segment Results

($ millions)	3rd Quarter 2009	3rd Quarter 2010	Delta ($)	Delta (%)	Constant FX (%)**	Year-To-Date 2009	Year-To-Date 2010	Delta ($)	Delta (%)	Constant FX (%)**
Bookings	$ 196.4	$ 202.9	$ 6.5	3.3%	6.9%	$ 612.5	$ 609.5	$ (3.0)	(0.5%)	0.2%
Sales	$ 244.2	$ 176.5	$ (67.7)	(27.7%)	(24.4%)	$ 700.1	$ 571.2	$ (128.9)	(18.4%)	(18.3%)
Gross Profit	$ 66.2	$ 42.0	$ (24.2)	(36.6%)		$ 192.4	$ 146.6	$ (45.8)	(23.8%)	
Gross Margin (%)	27.1%	23.8%		(330 bps)		27.5%	25.7%		(180 bps)	
SG&A	$ 40.7	$ 32.4	$ (8.3)	(20.4%)	(25.3%)	$ 115.4	$ 100.2	$ (15.2)	(13.2%)	(14.0%)
SG&A (%)	16.7%	18.4%		170 bps		16.5%	17.5%		100 bps	
Income from Affiliates	$ -	$ -	$ -	-		$ -	$ -	$ -	-	
Operating Income	$ 25.5	$ 9.5	$ (16.0)	(62.7%)	(58.8%)	$ 77.0	$ 46.4	$ (30.6)	(39.7%)	(39.7%)
Operating Margin (%)	10.4%	5.4%		(500 bps)		11.0%	8.1%		(290 bps)	
Adjusted Operating Income*	$ 26.8	$ 10.6	$ (16.2)	(60.4%)		$ 82.7	$ 51.8	$ (30.9)	(37.4%)	
Adjusted Operating Margin (%)*	11.0%	6.0%		(500 bps)		11.8%	9.1%		(270 bps)	

Margins were down significantly due to revenues and operational issues

** Adjusted operating income excludes realignment charges of $1.3 million and $1.1 million for Q3 2009 and Q3 2010, respectively. Adjusted operating income excludes realignment charges of $5.7 million and $5.4 million for 2009 YTD and 2010 YTD, respectively.*

*** Constant FX represents the year over year variance assuming 2010 results at 2009 FX rates.*

Flow Control Division
Q3 2010 Segment Results

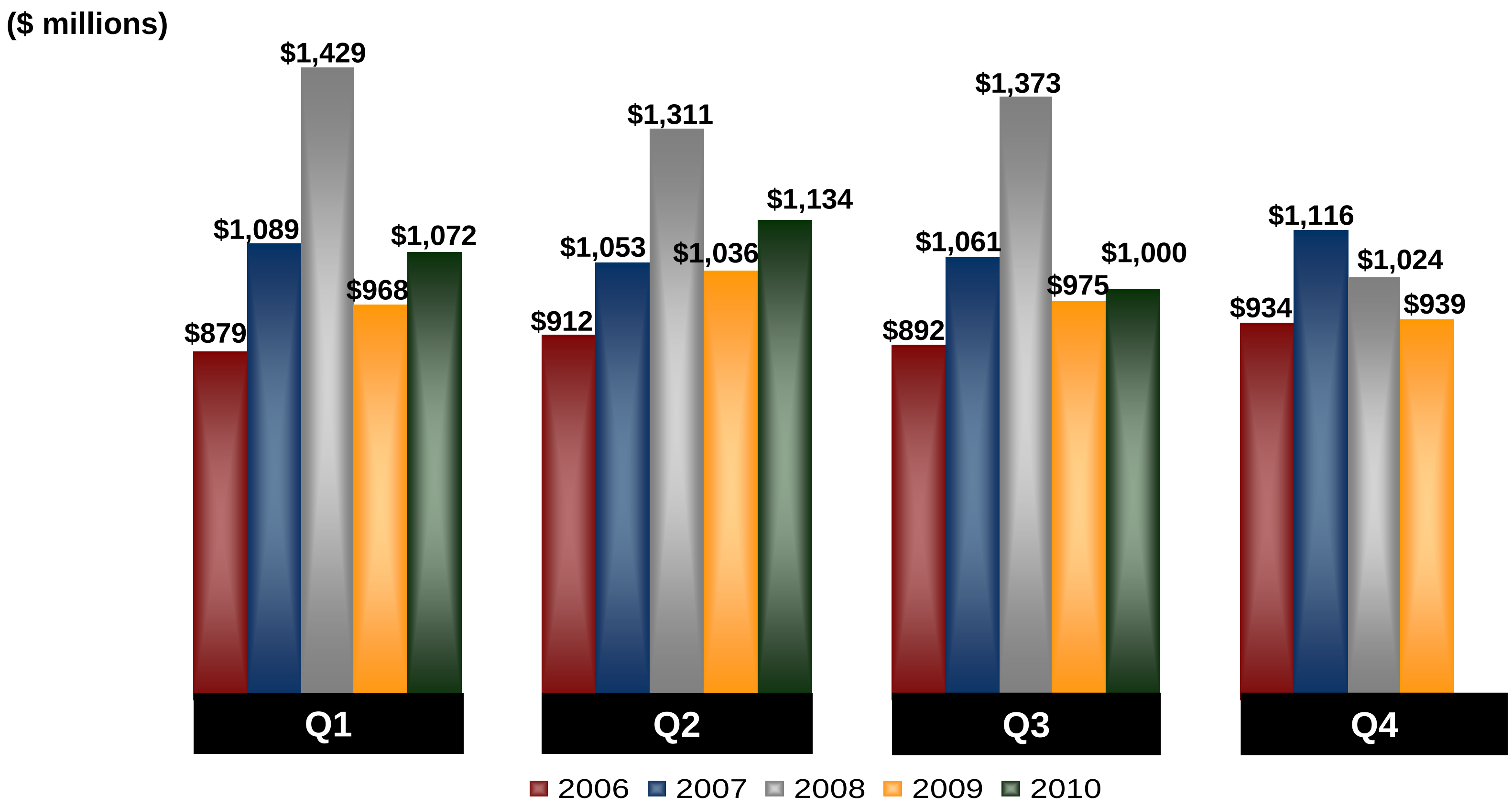
($ millions)	3rd Quarter 2009	3rd Quarter 2010	3rd Quarter Delta ($)	3rd Quarter Delta (%)	3rd Quarter Constant FX (%)**	Year-To-Date 2009	Year-To-Date 2010	Year-To-Date Delta ($)	Year-To-Date Delta (%)	Year-To-Date Constant FX (%)**
Bookings	$ 333.1	$ 335.0	$ 1.9	0.6%	4.2%	$ 907.2	$ 978.7	$ 71.5	7.9%	8.2%
Sales	$ 293.5	$ 312.6	$ 19.1	6.5%	10.6%	$ 893.2	$ 837.4	$ (55.8)	(6.2%)	(5.5%)
Gross Profit	$ 112.0	$ 107.4	$ (4.6)	(4.1%)		$ 328.3	$ 303.2	$ (25.1)	(7.6%)	
Gross Margin (%)	38.2%	34.4%		(380 bps)		36.8%	36.2%		(60 bps)	
SG&A	$ 58.7	$ 62.0	$ 3.3	5.6%	0.5%	$ 184.1	$ 177.7	$ (6.4)	(3.5%)	(4.0%)
SG&A (%)	20.0%	19.8%		(20 bps)		20.6%	21.2%		60 bps	
Income from Affiliates	$ 0.7	$ 0.3	$ (0.4)	(57.1%)		$ 4.2	$ 2.4	$ (1.8)	(42.9%)	
Operating Income	$ 54.0	$ 45.7	$ (8.3)	(15.4%)	(13.5%)	$ 148.4	$ 127.9	$ (20.5)	(13.8%)	(13.8%)
Operating Margin (%)	18.4%	14.6%		(380 bps)		16.6%	15.3%		(130 bps)	
Adjusted Operating Income*	$ 54.6	$ 46.5	$ (8.1)	(14.8%)		$ 156.7	$ 131.8	$ (24.9)	(15.9%)	
Adjusted Operating Margin (%)*	18.6%	14.9%		(370 bps)		17.5%	15.7%		(180 bps)	

Margins were negatively affected by Valbart purchase accounting adjustments

** Adjusted operating income excludes realignment charges of $0.6 million and $0.8 million for Q3 2009 and Q3 2010, respectively. Adjusted operating income excludes realignment charges of $8.3 million and $3.9 million for 2009 YTD and 2010 YTD, respectively.*

*** Constant FX represents the year over year variance assuming 2010 results at 2009 FX rates.*

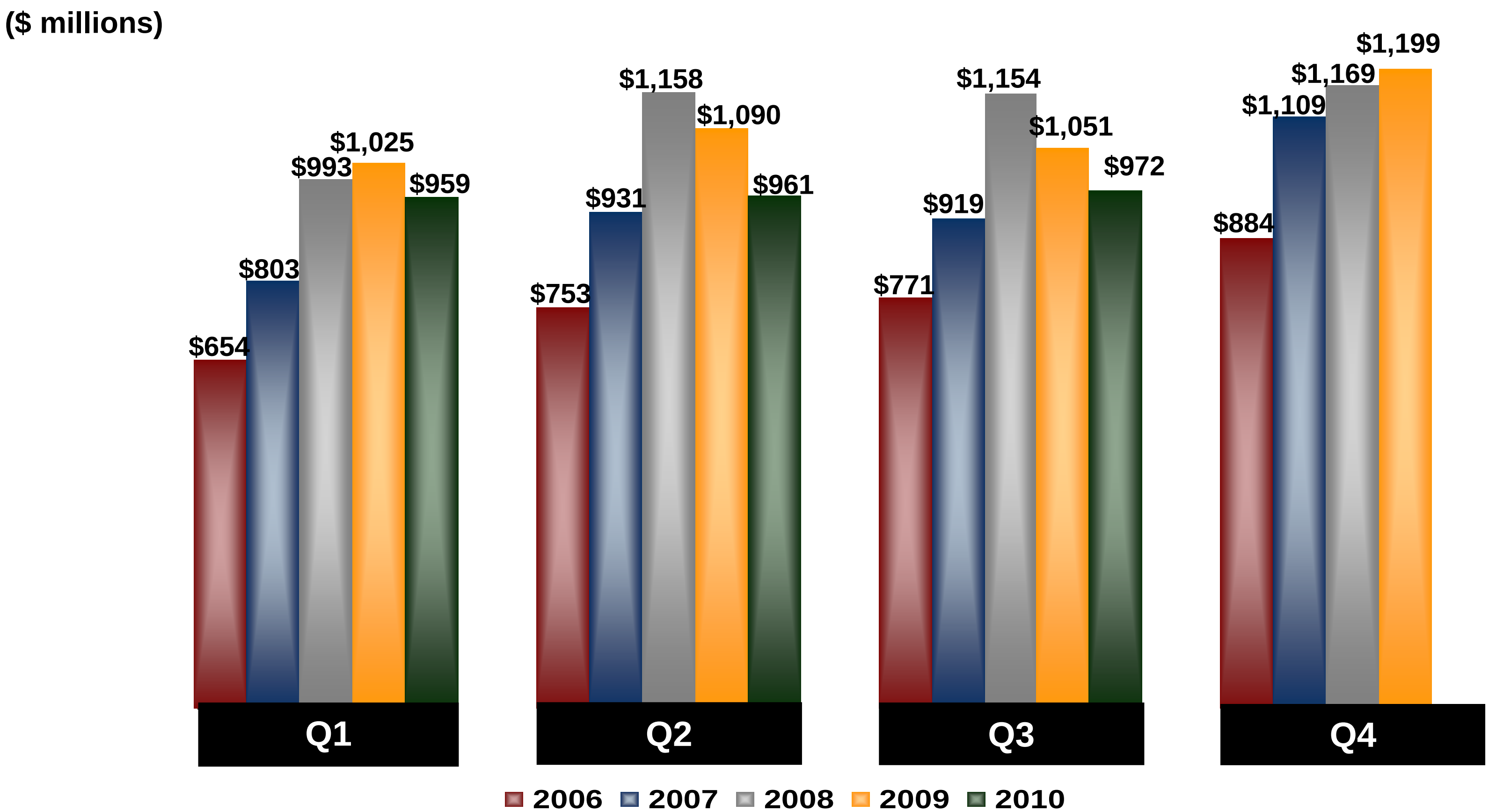
Quarterly Bookings Performance



- Represents Q3 2010 gross bookings excluding cancellations of $4.3 million

- Q3 2010 bookings included negative currency impact of approximately $22 million compared to Q3 2009

Quarterly Sales Performance



- Q3 2010 sales included negative currency impact of approximately $32 million compared to Q3 2009

Q3 Year-to-Date Realignment Overview

($ millions)	Restructuring				
	EPD	IPD	FCD	Other	Total
Cost of Sales	1.8	2.7	1.0	0.0	5.5
SG&A	-1.3	-0.1	0.0	0.3	-1.1
Total	0.5	2.6	1.0	0.3	4.4

	Non-Restructuring				
	EPD	IPD	FCD	Other	Total
Cost of Sales	0.0	2.5	2.1	0.0	4.6
SG&A	0.0	0.3	0.8	0.1	1.2
Total	0.0	2.8	2.9	0.1	5.8

	Total Realignment				
	EPD	IPD	FCD	Other	Total
Cost of Sales	1.8	5.2	3.1	0.0	10.1
SG&A	-1.3	0.2	0.8	0.4	0.1
Total	0.5	5.4	3.9	0.4	10.2

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

FLOWSERVE

Primary Working Capital

Balances for All Periods as a % of Trailing Twelve Months Sales

($ millions)	Q3 2009		Q4 2009		Q3 2010	
	$	%	$	%	$	%
Receivables	841	19.4%	792	18.1%	840	20.5%
Inventory	884	20.4%	795	18.2%	948	23.2%
Payables	(399)	(9.2%)	(493)	(11.3%)	(437)	(10.7%)
Primary Working Capital	**1,326**	**30.6%**	**1,094**	**25.0%**	**1,351**	**33.0%**
Advance Cash*	(381)	(8.8%)	(385)	(8.8%)	(345)	(8.4%)
Total	**945**	**21.8%**	**709**	**16.2%**	**1,006**	**24.6%**
Backlog	**2,665**		**2,371**		**2,709**	

** Advance cash commitments from customers to fund working capital*

Primary working capital increased in Q3 primarily due to inventory growth

Non-GAAP Reconciliation

FLOWSERVE

Divisional Adjusted Operating Income

($ millions)	Q3 2010 EPD	Q3 2010 IPD	Q3 2010 FCD
Reported GAAP Operating Income	92.8	9.5	45.7
Realignment Charges	0.1	1.1	0.8
Subtotal	92.9	10.6	46.5
Valbart Acquisition	0.0	0.0	4.3
Adjusted Operating Income	92.9	10.6	50.8

($ millions)	Year-To-Date EPD	Year-To-Date IPD	Year-To-Date FCD
Reported GAAP Operating Income	301.4	46.4	127.9
Realignment Charges	0.5	5.4	3.9
Subtotal	301.9	51.8	131.8
Valbart Acquisition	0.0	0.0	5.1
Adjusted Operating Income	301.9	51.8	136.9

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 except per share amounts)	Operating Income	Diluted EPS	Operating Income	Diluted EPS
Reported GAAP	$129.2	$1.84	$417.4	$4.89
Realignment Charges	$2.1	$0.03	$10.2	$0.13
Subtotal	$131.3	$1.87	$427.6	$5.02
Valbart Acquisition	$4.3	$0.05	$5.1	$0.06
Adjusted	$135.6	$1.92	$432.7	$5.08

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.