Flowserve 2013 Earnings Conference Call

February 19, 2014

Experience In Motion

FLOWSERVE

Special Note

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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; 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; our dependence on our customers' ability to make required capital investment and maintenance expenditures; 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; 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 exchange rates, including in hyperinflationary countries such as Venezuela; our furnishing of products and services to nuclear power plant facilities and other critical processes; potential adverse consequences resulting from litigation to which we are a party, such as 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 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.

2013 Financial Highlights

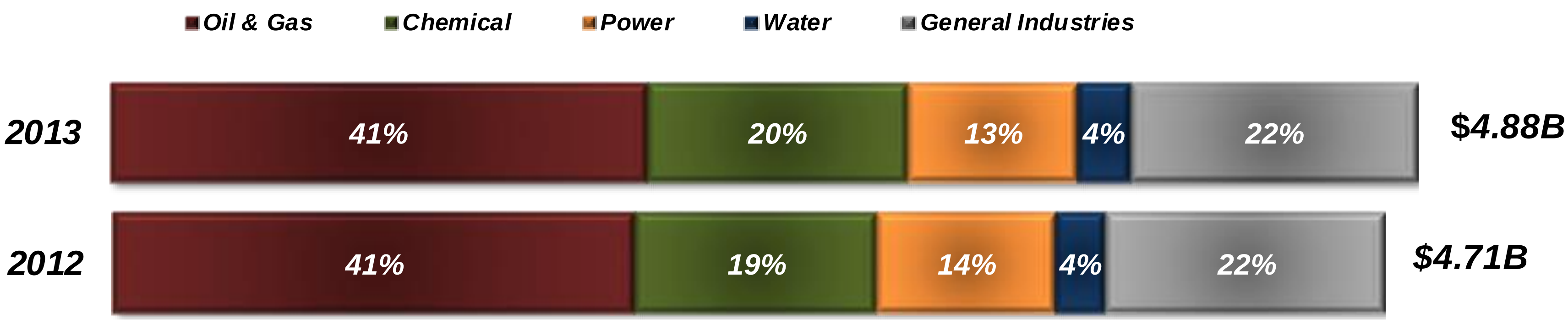
- Reported EPS* of $3.41, up 20.1% versus prior year
- Solid bookings of $4.88 billion, up 3.6% versus prior year, or 4.2% on a constant currency basis
  - Continued strength in oil and gas, chemical and general industries
  - Original equipment bookings consisted mainly of smaller to mid-size projects
  - Record aftermarket bookings of $2.0 billion driven by end-user strategies and investments
- Operating margin of 15.3%, up 110 basis points versus prior year
  - Reflects ongoing operational improvement efforts, strong SG&A leverage and improved backlog on disciplined selectivity of customer bookings
  - Operating margin at the lower end of our 150-to-250 basis point improvement goal a year ahead of schedule, with continued opportunity for further growth 2014
- Solid backlog of $2.56 billion combined with our diverse end market and geographic exposures, supports our long-term goal of converting mid-to-high single digit revenue growth into double digit EPS growth

*Calculated using 2013 fully diluted shares of 142.4 million

2013 Milestones

- Improved operational execution including success of ***One Flowserve*** strategies combined with disciplined cost culture delivered impressive leverage and flow through
  - Committed customer focus and increased operating efficiency improved our capacity to meet customer requirements, reduce lead times and positions us well to capture expected large project activity
  - Internal focus over recent years improved capability to efficiently integrate and leverage bolt-on acquisitions like Innomag across our manufacturing and QRC footprint
  - Constant focus on cost structure drives quick return realignment initiatives
- Processes embedded to ensure disciplined project pursuit will continue driving backlog quality and profitable growth
- Diverse end market and geographic exposures continue to dampen risk and volatility as improved project activity is anticipated, particularly in North America
- Focus on return on assets drives asset portfolio optimization and return for shareholders

2013 Bookings & Industry Outlook



OIL & GAS

- ✓ *Stable market with price levels that encourage investment; recent signs of a shift in some upstream capital expenditures*
- ✓ *New refining capacity additions in the Middle East and BRIC countries; growing preference for cleaner fuels also spurs investment*
- ✓ *Continued focus on North American unconventional resources with opportunities upstream, midstream and downstream*

POWER

- ✓ *New coal-fired power capacity concentrated in China and India with gas-fired and renewables in North America, Western Europe and the Middle East*
- ✓ *Favorable long-term nuclear prospects, but new capacity coming online by 2018 down; new nuclear opportunities primarily in developing markets*
- ✓ *Solar thermal is a small but rapidly growing market; opportunities exist in Europe, the Middle East and U.S.*

CHEMICAL

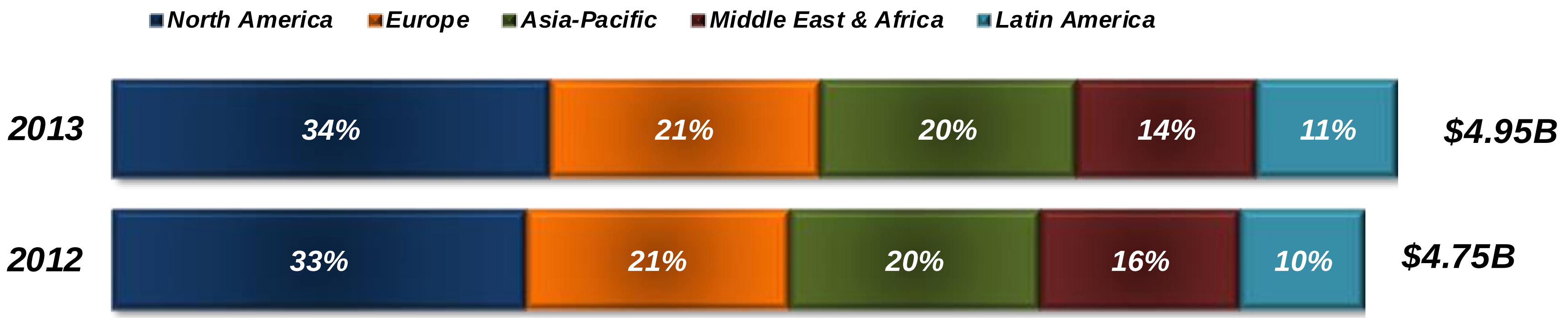
- ✓ *Positive chemical outlook given future demand in emerging markets and improvements in U.S. and European economies*
- ✓ *Most new chemical capacity additions in the Middle East and BRIC countries; North America also an important market due to low-cost feedstock*

GENERAL INDUSTRIES

- ✓ *New mining project spending under pressure, but good levels of activity in parts of Latin America, North America and elsewhere*
- ✓ *Encouraging signs in desalination market; new plant orders are expected to rise over the next five years*

Sources: *GlobalData, Industrial Info Resources, American Chemistry Council, Global Water Intelligence, ITR Economics, IMF, Flowserve internal data*

2013 Sales & Regional Outlook



NORTH AMERICA

- ✓ *Unconventional oil and gas activity resulting in strong pipeline, storage and NGL spend; development of LNG export terminals continues*
- ✓ *Petrochemical segment gains momentum with several recent new project announcements in ethylene and derivatives plants*
- ✓ *Economic and environmental factors support renewables and natural gas for conversions, and new combined-cycle plants at expense of coal plant closures*

EUROPE

- ✓ *Western Europe seeing nascent economic recovery and growing customer activity levels in select market segments*
- ✓ *Eastern Europe and Russia account for a large share of the region's investment in refining, pipelines, chemicals and nuclear power*

MIDDLE EAST

- ✓ *Numerous opportunities in oil and gas upstream and downstream, particularly in the Persian Gulf states*
- ✓ *Robust activity for power generation, desalination and water infrastructure to support economic development*

ASIA PACIFIC

- ✓ *Continued strength in oil and gas and power market opportunities expected as region's economies advance*
- ✓ *About half of global chemical capacity additions planned for China, India and other Asia Pacific countries over next five years*

LATIN AMERICA

- ✓ *Both Brazil deep water oil and gas and Mexico's proposed energy reforms promising for growth in the region*
- ✓ *Latin America a key mining market, particularly new copper production; mining-related desalination activity on the rise*

Sources: *GlobalData, Industrial Info Resources, American Chemistry Council, Global Water Intelligence, ITR Economics, IMF, Flowserve internal data*

Engineered Product Division
Q4 & Full Year 2013 Segment Results

($ millions)	4th Quarter 2013	2012	Delta ($)	Delta (%)	Constant FX (%)*	Full Year 2013	2012	Delta ($)	Delta (%)	Constant FX (%)*
Bookings	$ 632.2	$ 558.4	$ 73.8	13.2%	16.3%	$ 2,474.1	$ 2,373.1	$ 101.0	4.3%	5.9%
Sales	$ 721.1	$ 714.2	$ 6.9	1.0%	3.2%	$ 2,537.1	$ 2,403.1	$ 134.0	5.6%	7.4%
Gross Profit	$ 243.9	$ 239.8	$ 4.1	1.7%		$ 861.3	$ 811.2	$ 50.1	6.2%	
Gross Margin (%)	33.8%	33.6%		20 bps		33.9%	33.8%		10 bps	
SG&A	$ 120.4	$ 120.7	$ (0.3)	(0.2%)	1.4%	$ 448.1	$ 429.0	$ 19.1	4.5%	5.9%
SG&A (%)	16.7%	16.9%		(20 bps)		17.7%	17.9%		(20 bps)	
Income from Affiliates	$ 3.0	$ 2.8	$ 0.2	7.1%		$ 10.1	$ 13.9	$ (3.8)	(27.3%)	
Operating Income	$ 126.5	$ 121.8	$ 4.7	3.9%	8.0%	$ 423.3	$ 396.1	$ 27.2	6.9%	8.9%
Operating Margin (%)	17.5%	17.1%		40 bps		16.7%	16.5%		20 bps	

Continued operational improvement delivered impressive leverage on mid-single digit revenue growth at both the gross and operating income levels

* Constant FX represents the year over year variance assuming 2013 results at 2012 FX rates

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Engineered Product Division
Q4 & Full Year 2013 Bookings and Sales

($ millions)		4th Quarter 2013	4th Quarter 2012	4th Quarter Delta (%)	4th Quarter Constant FX (%)*	Full Year 2013	Full Year 2012	Full Year Delta (%)	Full Year Constant FX (%)*
Bookings Mix **	OE	234	184	27%	33%	990	902	10%	12%
		37%	33%	400 bps		40%	38%	200 bps	
	AM	398	374	6%	8%	1,484	1,471	1%	2%
		63%	67%	(400 bps)		60%	62%	(200 bps)	
Sales Mix **	OE	288	279	3%	6%	1,040	937	11%	14%
		40%	39%	100 bps		41%	39%	200 bps	
	AM	433	436	(1%)	1%	1,497	1,466	2%	3%
		60%	61%	(100 bps)		59%	61%	(200 bps)	

Strong original equipment orders driven by run-rate activity and a few medium size orders

* Constant FX represents the year over year variance assuming 2013 results at 2012 FX rates
** Gross bookings and sales do not include interdivision eliminations

Engineered Product Division Overview

- Q4 bookings increased 13.2%, or 16.3% on a constant currency basis, on strong original equipment and aftermarket activity
  - Growth driven by activity across all end markets, with the exception of power
  - Regional strength included Asia Pacific and Latin America
- Full year sales increased 5.6%, or 7.4% on a constant currency basis, due primarily to increased original equipment sales into all regions, except for the Middle East
- Q4 gross margin increased 20 basis points due to operational execution improvements and, to a lesser extent, fewer lower margin projects shipped as compared to 2012, partially offset by a sales mix shift to OE
- Q4 operating margin increased 40 basis points to 17.5%, primarily due to increased leverage and disciplined SG&A cost management
  - Q4 operating margin increased 100 basis points to 18.1% excluding discrete items of $3.9 million

Industrial Product Division
Q4 & Full Year 2013 Segment Results

($ millions)	4th Quarter					Full Year				
	2013	2012	Delta ($)	Delta (%)	Constant FX (%)*	2013	2012	Delta ($)	Delta (%)	Constant FX (%)*
Bookings	$ 247.4	$ 206.7	$ 40.7	19.7%	18.7%	$ 889.1	$ 964.3	$ (75.2)	(7.8%)	(8.2%)
Sales	$ 277.6	$ 265.5	$ 12.1	4.6%	3.1%	$ 950.2	$ 953.9	$ (3.7)	(0.4%)	(0.9%)
Gross Profit	$ 73.3	$ 65.8	$ 7.5	11.4%		$ 245.3	$ 230.3	$ 15.0	6.5%	
Gross Margin (%)	26.4%	24.8%		160 bps		25.8%	24.1%		170 bps	
SG&A	$ 34.7	$ 34.0	$ 0.7	2.1%	2.1%	$ 129.6	$ 130.8	$ (1.2)	(0.9%)	(0.9%)
SG&A (%)	12.5%	12.8%		(30 bps)		13.6%	13.7%		(10 bps)	
Operating Income	$ 38.6	$ 31.7	$ 6.9	21.8%	18.6%	$ 115.7	$ 99.5	$ 16.2	16.3%	15.2%
Operating Margin (%)	13.9%	11.9%		200 bps		12.2%	10.4%		180 bps	

Solid operating improvement continued operating margin progress towards long-term goal of 14 – 15%

* Constant FX represents the year over year variance assuming 2013 results at 2012 FX rates

Industrial Product Division
Q4 & Full Year 2013 Bookings and Sales

($ millions)		4th Quarter 2013	4th Quarter 2012	4th Quarter Delta (%)	4th Quarter Constant FX (%)*	Full Year 2013	Full Year 2012	Full Year Delta (%)	Full Year Constant FX (%)*
Bookings Mix **	OE	163 66%	136 66%	20% 0 bps	19%	587 66%	685 71%	(14%) (500 bps)	(15%)
	AM	84 34%	70 34%	20% 0 bps	20%	302 34%	280 29%	8% 500 bps	8%
Sales Mix **	OE	192 69%	183 69%	5% 0 bps	3%	656 69%	658 69%	0% 0 bps	(1%)
	AM	86 31%	79 31%	9% 0 bps	8%	295 31%	296 31%	0% 0 bps	0%

Short cycle business strength reflected in strong run-rate original equipment and aftermarket bookings

* Constant FX represents the year over year variance assuming 2013 results at 2012 FX rates
** Gross bookings and sales do not include interdivision eliminations

Industrial Product Division Overview

- Q4 bookings increased 19.7%, or 18.7% on a constant currency basis, on strong original equipment and aftermarket activity
  - Growth driven by activity across all end markets, with the exception of chemical
  - All regions experienced growth, including notable increased activity in Asia Pacific, North America and Europe
- Full year sales were essentially flat versus prior year, with increased sales into Latin America and Africa, offset by the Middle East, Europe and Asia Pacific
- Q4 gross margin increased 160 basis points to 26.4%, primarily attributable to lower manufacturing costs resulting from execution of operational improvements
- Q4 operating margin increased 200 bps to 13.9% due to gross margin improvement and disciplined SG&A cost management
  - Q4 operating margin increased 290 basis points to 14.8% excluding discrete items of $2.6 million

Flow Control Division
Q4 & Full Year 2013 Segment Results

($ millions)	4th Quarter 2013	4th Quarter 2012	4th Quarter Delta ($)	4th Quarter Delta (%)	4th Quarter Constant FX (%)*	Full Year 2013	Full Year 2012	Full Year Delta ($)	Full Year Delta (%)	Full Year Constant FX (%)*
Bookings	$ 412.6	$ 354.2	$ 58.4	16.5%	16.2%	$ 1,661.9	$ 1,526.8	$ 135.1	8.8%	8.5%
Sales	$ 426.2	$ 396.9	$ 29.3	7.4%	6.4%	$ 1,615.7	$ 1,557.1	$ 58.6	3.8%	3.4%
Gross Profit	$ 150.8	$ 142.3	$ 8.5	6.0%		$ 579.2	$ 541.4	$ 37.8	7.0%	
Gross Margin (%)	35.4%	35.9%		(50 bps)		35.8%	34.8%		100 bps	
SG&A	$ 79.5	$ 74.2	$ 5.3	7.1%	5.8%	$ 300.1	$ 291.1	$ 9.0	3.1%	2.7%
SG&A (%)	18.7%	18.7%		0 bps		18.6%	18.7%		(10 bps)	
Income from Affiliates (1)	$ 0.1	$ 0.9	$ (0.8)	(88.9%)		$ 28.9	$ 3.1	$ 25.8	832.3%	
Operating Income (1)	$ 71.2	$ 69.0	$ 2.2	3.2%	3.2%	$ 308.0	$ 253.4	$ 54.6	21.5%	23.5%
Operating Margin (%)	16.7%	17.4%		(70 bps)		19.1%	16.3%		280 bps	

Strong Q4 bookings and solid backlog supports 2014 growth outlook

* Constant FX represents the year over year variance assuming 2013 results at 2012 FX rates

(1) Full year 2013 includes $28.3 million impact of joint venture transactions in Q1 2013

Flow Control Division
Q4 & Full Year 2013 Bookings and Sales

($ millions)		4th Quarter 2013	4th Quarter 2012	4th Quarter Delta (%)	4th Quarter Constant FX (%)*	Full Year 2013	Full Year 2012	Full Year Delta (%)	Full Year Constant FX (%)*
Bookings Mix **	OE	342 83%	290 82%	18% 100 bps	18%	1,396 84%	1,283 84%	9% 0 bps	8%
	AM	70 17%	64 18%	9% (100 bps)	9%	266 16%	244 16%	9% 0 bps	9%
Sales Mix **	OE	354 83%	325 82%	9% 100 bps	8%	1,357 84%	1,324 85%	2% (100 bps)	2%
	AM	72 17%	71 18%	1% (100 bps)	2%	259 16%	234 15%	11% 100 bps	11%

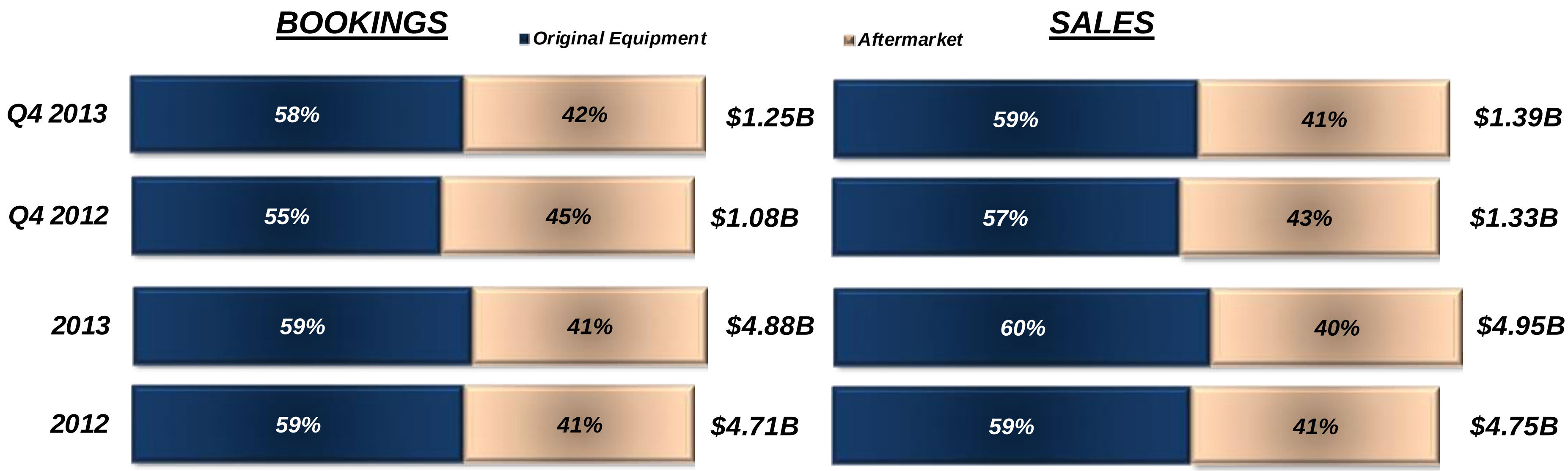
"One Flowserve" driving improved FCD aftermarket capabilities – Leveraging EPD/IPD aftermarket experience

* Constant FX represents the year over year variance assuming 2013 results at 2012 FX rates
** Gross bookings and sales do not include interdivision eliminations

Flow Control Division Overview

- Q4 bookings increased 16.5%, or 16.2% on a constant currency basis, primarily attributable to the oil and gas, power and general industries, partially offset by the chemical industry
  - All regions experience growth, including notable increased activity in North America, Europe and Latin America
- Full year sales increased 3.8%, or 3.4% on a constant currency basis, primarily driven by original equipment sales in the oil and gas and power generation industries
  - Increased sales into North America, Europe and the Middle East were partially offset by into Asia Pacific
- Q4 gross margin decreased 50 basis points to 35.4%, or decreased 10 basis points to 35.8% excluding discrete items of $1.6 million in cost of sales
- Q4 operating margin decreased 70 basis points to 16.7%, or increased 40 basis points to 17.8% excluding discrete items of $4.7 million

Q4 & Full Year 2013 Consolidated Bookings & Sales



Bookings

- Bookings in Q4 2013 increased 15.7%, or 17.1% on a constant currency basis, driven by the oil and gas, general industries, chemical and water markets – Regional growth was broad-based, with particular strength in Asia Pacific
  - Record aftermarket bookings of $531 million

Sales

- Sales in Q4 2013 increased 4.6%, or 5.2% on a constant currency basis, driven by increased OE sales across all segments – Regional growth driven by strength in Asia Pacific, Latin America and North America

Source: Flowserve Internal Data

Q4 & Full Year 2013 Consolidated Financial Results

($ millions)	4th Quarter					Full Year				
	2013	2012	Delta ($)	Delta (%)	Constant FX (%)*	2013	2012	Delta ($)	Delta (%)	Constant FX (%)*
Bookings	$ 1,252.6	$ 1,082.5	$ 170.1	15.7%	17.1%	$ 4,881.4	$ 4,713.5	$ 167.9	3.6%	4.2%
Sales	$ 1,389.4	$ 1,328.2	$ 61.2	4.6%	5.2%	$ 4,954.6	$ 4,751.3	$ 203.3	4.3%	5.0%
Gross Profit	$ 470.5	$ 447.6	$ 22.9	5.1%		$ 1,688.1	$ 1,581.0	$ 107.1	6.8%	
Gross Margin (%)	33.9%	33.7%		20 bps		34.1%	33.3%		80 bps	
SG&A	$ 260.6	$ 248.5	$ 12.1	4.9%	5.3%	$ 966.8	$ 922.1	$ 44.7	4.8%	5.4%
SG&A (%)	18.8%	18.7%		10 bps		19.5%	19.4%		10 bps	
Income from Affiliates	$ 3.0	$ 3.7	$ (0.7)	(18.9%)		$ 39.0	$ 17.0	$ 22.0	129.4%	
Operating Income	$ 212.9	$ 202.8	$ 10.1	5.0%	7.0%	$ 760.3	$ 675.8	$ 84.5	12.5%	14.3%
Operating Margin (%)	15.3%	15.3%		0 bps		15.3%	14.2%		110 bps	
Other (Expense) / Income, net**	$ (5.6)	$ 0.5	$ (6.1)	(1220.0%)		$ (14.3)	$ (21.6)	$ 7.3	33.8%	
Tax Expense	$ 49.7	$ 47.9	$ 1.8	3.8%		$ 204.7	$ 160.8	$ 43.9	27.3%	
Net Earnings	$ 141.1	$ 141.6	$ (0.5)	(0.4%)		$ 485.5	$ 448.3	$ 37.2	8.3%	
Diluted EPS	$ 1.01	$ 0.94	$ 0.07	7.4%		$ 3.41	$ 2.84	$ 0.57	20.1%	

- Fourth quarter diluted EPS calculated using fully diluted shares of 140.1 million and 150.1 million shares in Q4 2013 and Q4 2012, respectively
- Flowserve repurchased 8,142,723 and 18,638,340 shares in full year 2013 and 2012, respectively

* Constant FX represents the year over year variance assuming 2013 results at 2012 FX rates

** Full Year 2013 includes $12.6 million impact of losses arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a loss of $21.3 million Full Year 2012

Quarterly & Full Year 2013 Cash Flows

($ millions)	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Full Year 2013	Full Year 2012
Net Income	$ 141	$ 127	$ 121	$ 99	$ 488	$ 451
Depreciation and amortization	27	27	27	25	106	107
Change in working capital	176	3	(77)	(212)	(110)	(4)
Other	34	(15)	5	(20)	4	(37)
Total Operating Activities	**378**	**142**	**76**	**(108)**	**488**	**517**
Capital expenditures	(44)	(34)	(27)	(34)	(139)	(136)
Acquisitions, dispositions and other	(66)	1	0	36	(29)	10
Total Investing Activities	**(110)**	**(33)**	**(27)**	**2**	**(168)**	**(126)**
Proceeds of / (payments on) long-term debt	285	(5)	(5)	(5)	270	408
Dividends	(19)	(20)	(20)	(18)	(77)	(74)
Short-term financing and other, net	(197)	(12)	64	154	9	9
Repurchase of common shares	(88)	(64)	(150)	(156)	(458)	(772)
Total Financing Activities	**(19)**	**(101)**	**(111)**	**(25)**	**(256)**	**(429)**
Effect of exchange rates	**1**	**1**	**(2)**	**(4)**	**(4)**	**5**
Net Increase in Cash	**$ 250**	**$ 9**	**$ (65)**	**$ (135)**	**$ 60**	**$ (33)**

Flexibility to follow announced policy to annually return 40-50% of average trailing two-year net earnings to shareholders while supporting strategic initiatives to grow the business

Primary Working Capital

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

($ millions)	Q4 2013		Q3 2013		Q4 2012	
	$	%	$	%	$	%
Receivables	1,155	23.3%	1,090	22.3%	1,104	23.2%
Inventory	1,061	21.4%	1,184	24.2%	1,087	22.9%
Payables	(612)	(12.4%)	(495)	(10.1%)	(617)	(13.0%)
Primary Working Capital	**1,604**	**32.4%**	**1,779**	**36.4%**	**1,574**	**33.1%**
Advance Cash*	(381)	(7.7%)	(394)	(8.1%)	(435)	(9.2%)
Total	**1,223**	**24.7%**	**1,385**	**28.3%**	**1,139**	**23.9%**
Backlog	**2,557**		**2,700**		**2,649**	

Accounts Receivable

Accounts Receivable DSO at 75 days in Q4 2013 consistent with prior year

- *Driving toward a DSO in the mid 60s*

Inventory

Inventory turns improved 0.3 turns to 3.5 times versus prior year

- *Driving towards inventory turns goal of 4.0x to 4.5x*

* Advance cash commitments from customers to fund working capital

2014 Outlook

Cash Use Priorities in 2014

- Continue to execute on announced capital allocation policy
  - Return to policy of annually returning 40 – 50% of running 2-year average net earnings to shareholders
  - Increased quarterly dividend 14.3% from $0.14/share to $0.16/share, effective Q2 2014
- Estimate capital expenditures to be $130 – $140 million
- Scheduled debt principal reduction of $40 million
- Estimate U.S. and non-U.S. pension fund contributions to be approximately $33 million
- Other strategic opportunities, after disciplined analysis

Revenue Growth

- Expect 3 – 6% growth, excluding impact of potential acquisitions that may arise

Working Capital

- Execute on working capital initiatives to increase on-time delivery and improve DSO and inventory turns to targeted levels

SG&A Cost Focus

- Continue expense-management culture as we target SG&A as a percent of sales of 18% while making strategic growth investments

2014 EPS Guidance

- Implied 2014 EPS growth of 7% - 17% reflects earnings power on expected revenue growth of 3% - 6% and continued progress on our operating margin improvement goal
- Similar to prior year, 2014 earnings will be second half weighted, first quarter 2014 compare will be further impacted by $28.3 million gain related to joint venture transactions in Q1 2013

Reaffirm 2014 full year EPS target range of $3.65 to $4.00

* EPS amounts for 2006 and 2007 have not been retrospectively adjusted to reflect the adoption of the two class method of calculating earnings per share under ASC 260, “Earnings Per Share” which was effective January 1, 2009. The impact of adoption was a decrease to EPS of $0.01 for 2006 and $0.02 for 2007.

Questions and Answers

Non-GAAP Reconciliation
Q4 2013 Consolidated Financial Results

($ millions)	4th Quarter 2012	2013	Adj (1)	Adjusted 2013
Sales	$1,328.2	$1,389.4		$ 1,389.4
Cost of Sales	$ 880.6	$ 918.9	$ (6.3)	$ 912.6
Gross Profit	$ 447.6	$ 470.5	$ 6.3	$ 476.8
Gross Margin (%)	33.7%	33.9%		34.3%
SG&A	$ 248.5	$ 260.6	$ (7.5)	$ 253.1
SG&A (%)	18.7%	18.8%		18.2%
Income from Affiliates	$ 3.7	$ 3.0		$ 3.0
Operating Income	$ 202.8	$ 212.9	$ 13.8	$ 226.7
Operating Margin (%)	15.3%	15.3%		16.3%
Other (Expense) / Income, net	$ 0.5	$ (5.6)	$ 4.1	$ (1.5)
Tax Expense	$ 47.9	$ 49.7	$ 4.6	$ 54.3
Net Earnings	$ 141.6	$ 141.1	$ 13.3	$ 154.4
Diluted EPS	$ 0.94	$ 1.01	$ 0.09	$ 1.10

(1) Gross profit and gross profit margin adjusted for $6.3 million realignment expense in cost of sales (EPD-$2.6 million, IPD-$2.1 million, FCD-$1.6 million)
SG&A expense and SG&A as a percent of sales adjusted for realignment and other discrete items totaling $7.5 million (EPD-$1.3 million, IPD-$0.5 million, FCD-$3.1 million, Corp-$2.6 million)
Operating income and operating margin adjusted for realignment and other discrete items totaling $13.8 million (EPD-$3.9 million, IPD-$2.6 million, FCD-$4.7 million, Corp-$2.6 million)
Other (expense)/income, net adjusted for losses arising from transactions in currencies other than our site's functional currencies and impact of foreign exchange contracts

Non-GAAP Reconciliation
Full Year 2013 Consolidated Financial Results

($ millions)	Full Year			
	2012	2013	Adj (1)	Adjusted 2013
Sales	$4,751.3	$4,954.6		$4,954.6
Cost of Sales	$3,170.3	$3,266.5	$ (6.3)	$3,260.2
Gross Profit	$1,581.0	$1,688.1	$ 6.3	$1,694.4
Gross Margin (%)	33.3%	34.1%		34.2%
SG&A	$ 922.1	$ 966.8	$ (7.5)	$ 959.3
SG&A (%)	19.4%	19.5%		19.4%
Income from Affiliates	$ 17.0	$ 39.0		$ 39.0
Operating Income	$ 675.8	$ 760.3	$ 13.8	$ 774.1
Operating Margin (%)	14.2%	15.3%		15.6%

(1) Gross profit and gross profit margin adjusted for $6.3 million realignment expense in cost of sales (EPD-$2.6 million, IPD-$2.1 million, FCD-$1.6 million)
SG&A expense and SG&A as a percent of sales adjusted for realignment and other discrete items totaling $7.5 million (EPD-$1.3 million, IPD-$0.5 million, FCD-$3.1 million, Corp-$2.6 million)
Operating income and operating margin adjusted for realignment and other discrete items totaling $13.8 million (EPD-$3.9 million, IPD-$2.6 million, FCD-$4.7 million, Corp-$2.6 million)