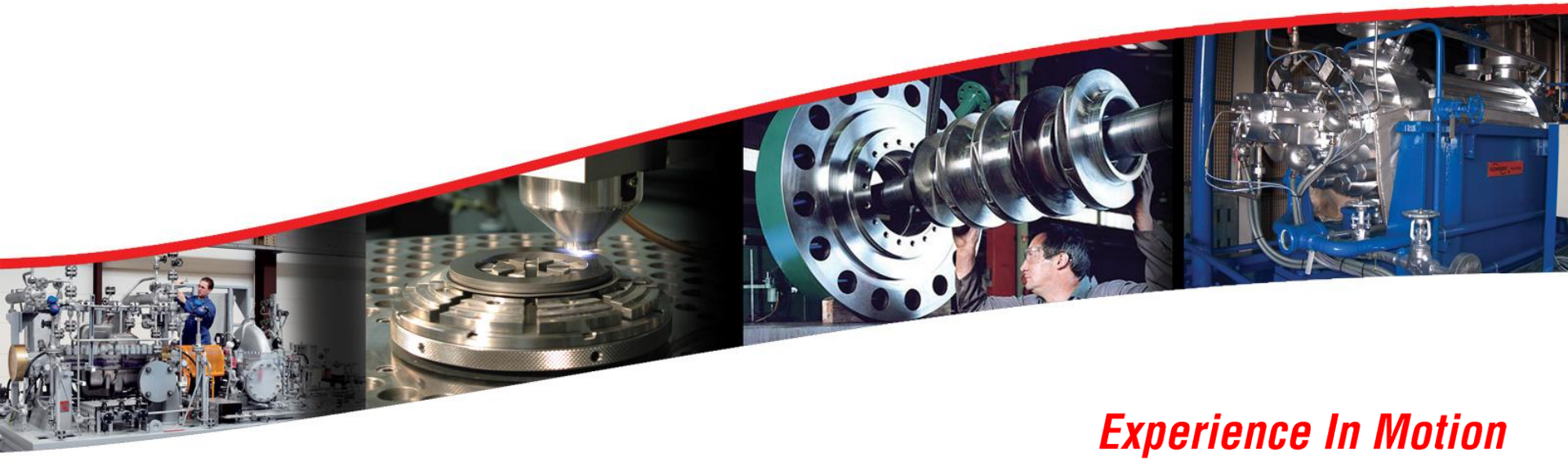
Lawrence Pumps Acquisition

October 4, 2011



Experience In Motion

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; 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 exchange 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 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 (including the Valbart Srl acquisition); 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.

Strategic Rationale

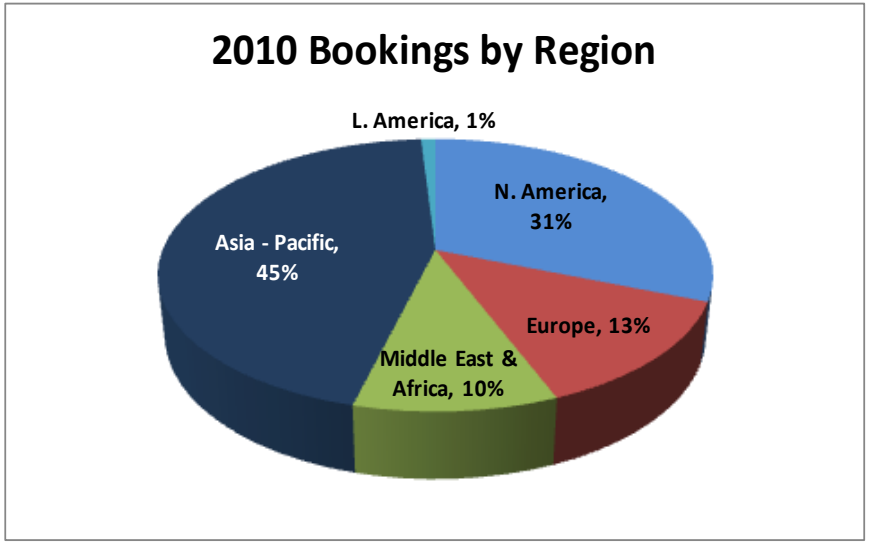
- Lawrence Pumps is an industry leader in highly engineered critical service centrifugal pumps used primarily in the petrochemical and oil and gas industries
  - Primarily focused on severe service API and chemical slurry pump technology
  - Critical in refining, oil sands, polyolefin and polyethylene industries
  - Good example of Flowserve's "bolt on" acquisition strategy focused on highly engineered flow control products to be grown using Flowserve's global distribution

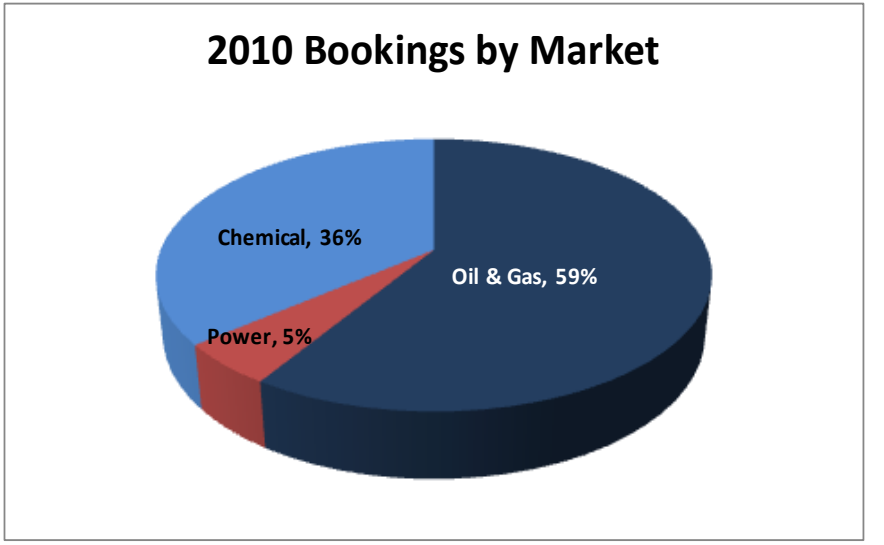
LAWRENCE PUMPS INC.
Solutions engineered to last.

- Lawrence specializes in pumps requiring reliability under extreme temperatures and pressure in corrosive environments
- Highly regarded brand name for solving complex applications in refinery and petrochemical situations
- Flowserve and Lawrence share core markets, customers and have complimentary product lines, but with little overlap
- Flowserve's global reach and channel to market (both AM and OE) will be leveraged to promote growth
  - Follow successful Valbart growth strategy

Lawrence Pumps – End Market and Geographic Exposure

- Lawrence has significant market penetration into the Asia-Pacific area and broad geographical scope
- Lawrence's 29% aftermarket business is based only on parts replacement and presents a growth opportunity by leveraging Flowserve's existing global service center network and focusing on life-cycle cost and the end-user





Source: Lawrence Pumps Inc.

Lawrence Pumps Key Facts

- Purchase price: Approximately $89 million
  - Includes 338(b)10 Election impact with quick payback
  - No debt or pension liability
- Locations:
  - Lawrence, Mass. – HQ and Mfg
  - Shanghai, China
  - Pune, India
  - Singapore
- 2011 Forecast (year-ending 12/31):
  - Revenue of approximately $50 million
  - EBITDA of approximately $10 million
- Employees: 158
- Acquisition expected to close in Q4 2011
- For 2012 expect revenue, operating income, cash and EBITDA growth, offset short-term by non-cash purchase price accounting effects to be determined
- Additional information can be found at www.lawrencepumps.com

Lawrence Path Forward

- Expand Lawrence aftermarket across FLS platform – expect aftermarket growth opportunity could yield equal OE/AM mix
- Leverage Flowserve's highly engineered global sales organization
- Add FLS seals and systems to Lawrence pumps
- Expand Lawrence product manufacturing capabilities to existing Flowserve facilities in high growth global markets
- Add global supply chain efficiencies thru Flowserve platform and economies of scale
- Drive other sales and cost synergies