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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-14962

CIRCOR INTERNATIONAL, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3477276
(I.R.S. Employer
Identification Number)

35 Corporate Drive, Burlington, MA
(Address of principal executive offices)

01803-4230
(Zip Code)

(Registrant's telephone number, including area code): (781) 270-1200

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, par value \$.01 per share	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

As of October 31, 2000, there were 13,242,557 shares of the Registrant's Common Stock outstanding.

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CIRCOR INTERNATIONAL, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements	
Consolidated Balance Sheets for September 30, 2000 and December 31, 1999	3
Consolidated Statements of Operations for the Three-Month and Nine-Month Periods Ended September 30, 2000 and 1999	4
Consolidated Statements of Cash Flows for the Nine-Months Ended September 30, 2000 and 1999	5
Pro Forma Consolidated Statements of Operations for the Three-Month and Nine-Month Periods Ended September 30, 1999	6
Notes to Consolidated Financial Statements	7-11
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11-16
Item 3. Qualitative and Quantitative Discussion About Market Risk	16-17

PART II. OTHER INFORMATION

Item 1. Legal Proceedings	17-18
Item 4. Submission of Matters to a Vote of Security Holders	18
Item 6. Exhibits and Reports on Form 8-K	18-20
Signatures	21
Exhibit 10.22 Executive Change of Control Agreement between CIRCOR, Inc. and Carmine F. Bosco dated August 8, 2000.	22-27
Exhibit 10.23 Executive Change of Control Agreement between CIRCOR, Inc. and Alan R. Carlsen dated August 8, 2000.	28-33
Exhibit 10.24 Executive Change of Control Agreement between CIRCOR, Inc. and Kenneth W. Smith dated August 8, 2000.	34-39
Exhibit 27 Financial Data Schedule Filed for the Periods Ended September 30, 2000 and 1999.	40

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CIRCOR INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	September 30, 2000	December 31, 1999
	----- (unaudited)	----- (audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,665	\$ 5,153
Trade accounts receivable, less allowance for doubtful accounts of \$2,753 and \$2,683, respectively	55,000	60,916
Inventories	107,513	107,332
Other current assets	14,199	16,800
	-----	-----
Total Current Assets	184,377	190,201
	-----	-----
Property, Plant and Equipment, Net	69,025	75,154
Other Assets		
Goodwill, net of accumulated amortization of \$13,662 and \$11,775, respectively	92,931	96,488
Other assets	4,521	5,242
	-----	-----
Total Assets	\$ 350,854	\$ 367,085
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 20,566	\$ 21,172
Other current liabilities	22,220	19,069
Current portion of long-term debt	488	2,260
	-----	-----
Total Current Liabilities	43,274	42,501
	-----	-----
Long-Term Debt, Net of Current Portion	101,616	122,867
Other Noncurrent Liabilities	18,089	18,308
Shareholders' Equity:		
Preferred stock, \$.01 par value; 1,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock, \$.01 par value; 29,000,000 shares authorized; 13,236,993 and 13,236,877 issued and outstanding, respectively	132	132
Additional paid-in capital	180,947	180,887
Retained earnings	10,292	3,393
Accumulated other comprehensive (loss)	(3,496)	(1,003)
	-----	-----
Total Shareholders' Equity	187,875	183,409
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 350,854	\$ 367,085
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

CIRCOR INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share data)

	Three-Months Ended September 30,		Nine-Months Ended September 30,	
	2000	1999	2000	1999
Net revenues	\$ 75,637	\$ 77,713	\$ 236,899	\$ 234,704
Cost of revenues	52,243	53,852	162,608	158,510
	23,394	23,861	74,291	76,194
GROSS PROFIT				
Selling, general and administrative expenses	16,381	17,726	51,474	56,090
Special charges	801	722	1,504	722
	6,212	5,413	21,313	19,382
OPERATING INCOME				
Other (income) expense:				
Interest income	(166)	(22)	(372)	(163)
Interest expense	2,315	2,154	7,520	6,671
Other, net	188	317	777	602
	2,337	2,449	7,925	7,110
INCOME BEFORE TAXES	3,875	2,964	13,388	12,272
Provision for income taxes	1,588	1,276	5,489	4,914
	2,287	1,688	7,899	7,358
NET INCOME	\$ 2,287	\$ 1,688	\$ 7,899	\$ 7,358
Basic earnings per share				
Income per share	\$ 0.17	*	\$ 0.60	*
Weighted average number of shares	13,237	*	13,237	*
Diluted earnings per share				
Income per share	\$ 0.17	*	\$ 0.59	*
Weighted average numbered shares	13,324	*	13,500	*

* See note 7 of the consolidated financial statements for an explanation of pro forma earnings per share.

The accompanying notes are an integral part of these consolidated financial statements.

CIRCOR INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Nine-Months Ended September 30,	
	2000	1999
OPERATING ACTIVITIES		
Net Income	\$ 7,899	\$ 7,358
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,034	7,630
Amortization	2,139	2,683
Deferred income taxes	--	3,552
Gain on disposal of property, plant and equipment	(24)	(9)
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Trade accounts receivable	4,501	844
Inventories	(1,375)	(2,271)
Other current assets	2,729	836
Accounts payable and other current liabilities	3,530	(12,467)
Net cash provided by operating activities	27,433	8,156
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,464)	(10,689)
Disposal of property, plant and equipment	39	1,084
Increase in other assets	(79)	(237)
Business acquisitions, net of cash acquired	--	(10,301)
Purchase price adjustment on previous acquisition	1,542	--
Net change in short term investments	--	(1,075)
Net cash used in investing activities	(962)	(21,218)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	20,988	3,925
Payments of long-term debt	(43,776)	(14,495)
Dividends paid	(1,000)	--
Net intercompany activity with Watts Industries, Inc.	--	24,555
Net cash provided by (used in) financing activities	(23,788)	13,985
Effect of exchange rate changes on cash and cash equivalents	(171)	(702)
INCREASE IN CASH AND CASH EQUIVALENTS	2,512	221
Cash and cash equivalents at beginning of period	5,153	4,090
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 7,665	\$ 4,311

The accompanying notes are an integral part of these consolidated financial statements.

CIRCOR INTERNATIONAL, INC. AND SUBSIDIARIES
PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)
(in thousands)

Three-Months Ended September, 1999

	Historical	Pro Forma Adjustments	Pro Forma
Net revenues	\$ 77,713	\$ --	\$ 77,713
Cost of revenues	53,852	--	53,852
GROSS PROFIT	23,861	--	23,861
Selling, general and administrative expenses	17,726	51	17,777
Special charges	722	--	722
OPERATING INCOME	5,413	(51)	5,362
Other (income) expense:			
Interest income	(22)	--	(22)
Interest expense	2,154	269	2,423
Other, net	317	--	317
	2,449	269	2,718
INCOME BEFORE INCOME TAXES	2,964	(320)	2,644
Provision for income taxes	1,276	(128)	1,148
NET INCOME	\$ 1,688	\$ (192)	\$ 1,496

Nine-Months Ended September 30, 1999

	Historical	Pro Forma Adjustments	Pro Forma
Net revenues	\$ 234,704	\$ --	\$ 234,704
Cost of revenues	158,510	--	158,510
GROSS PROFIT	76,194	--	76,194
Selling, general and administrative expenses	56,090	178	56,268
Special charges	722	--	722
OPERATING INCOME	19,382	(178)	19,204
Other (income) expense:			
Interest income	(163)	--	(163)
Interest expense	6,671	852	7,523
Other, net	602	--	602
	7,110	852	7,962
INCOME BEFORE INCOME TAXES	12,272	(1,030)	11,242
Provision for income taxes	4,914	(412)	4,502
NET INCOME	\$ 7,358	\$ (618)	\$ 6,740

See note 7 for an explanation of pro forma adjustments and earnings per share.

The accompanying notes are an integral part of these consolidated financial statements.

CIRCOR INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of CIRCOR International, Inc. and subsidiaries and have been prepared in accordance with generally accepted accounting principles for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes included in the Form 10-K of CIRCOR International, Inc. (the "Company") for the year ended December 31, 1999.

On October 18, 1999, we completed the spin-off from our former parent, Watts Industries, Inc. ("Watts"), and began to operate as an independent public company. Additionally, effective July 1, 1999 we changed our fiscal year end from June 30th to December 31st. Comparisons to prior year periods pertain to the historical results of these operations under Watts' ownership, including certain allocations of interest and general and administrative expenses, which later were transferred to CIRCOR in connection with the spin-off. See note 7 of these consolidated financial statements.

The following discussion is based upon the three-month and nine-month periods ended September 30, 2000. In the opinion of management, all adjustments considered necessary for a fair presentation of the financial statements have been included.

The accompanying consolidated financial statements present our financial position, results of operations and cash flows on a historical carve out basis up to October 18, 1999, and subsequently as if we had been an independent, publicly owned company. Certain allocations of interest and general and administrative expenses of Watts, as well as computations of separate tax provisions, have been made to facilitate such presentation (see note 7). The consolidated financial statements prior to October 18, 1999 represent the former combined operations of Watts' industrial, oil and gas businesses. All significant intercompany balances and transactions have been eliminated in consolidation.

Certain prior period financial statement amounts have been reclassified to conform to currently reported presentations.

(2) New Accounting Standards

In 1998, the Financial Accounting Standards Board issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities." We will adopt SFAS 133, as amended by SFAS No. 137 and SFAS No. 138, on January 1, 2001. Although we continue to review the effect of the implementation of SFAS No. 133, we do not currently believe its adoption will have a material impact on our financial position or overall trends in results of operations and do not believe adoption will result in significant changes to our financial risk management practices. However, the impact of adoption of SFAS No. 133 on our results of operations is dependent upon the fair values of our derivatives and related financial instruments at the date of adoption and may result in more pronounced quarterly fluctuations in other income and expense.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition". An amendment has delayed the effective date until the fourth quarter of 2000. The Company is reviewing the requirements of this standard and has not yet determined the impact of this standard on its consolidated financial statements.

(3) Inventories

Inventories consist of the following (in thousands):

	September 30, 2000	December 31, 1999
	----- (unaudited)	----- (audited)
Raw materials	\$ 39,857	\$ 42,701
Work in process	29,271	27,466
Finished goods	38,385	37,165
	-----	-----
	\$107,513	\$107,332
	=====	=====

(4) Segment Information

The following table presents certain operating segment information:

	Instrumentation & Fluid Regulation Products	Petrochemical Products	Corporate Adjustments	Consolidated Total
	-----	-----	-----	-----
	(in thousands)			
Three-Months Ended September 30, 2000				
Net Revenues	\$ 43,246	\$ 32,391	\$ --	\$ 75,637
Operating income (loss)	7,061	855	(1,704)	6,212
Three-Months Ended September 30, 1999				
Net Revenues	\$ 41,436	\$ 36,277	\$ --	\$ 77,713
Operating income (loss)	3,863	3,258	(1,708)	5,413
	Instrumentation & Fluid Regulation Products	Petrochemical Products	Corporate Adjustments	Consolidated Total
	-----	-----	-----	-----
	(in thousands)			

The operating segments above are presented on a basis consistent with the presentation in our consolidated financial statements for the period ended December 31, 1999. Identifiable assets did not change significantly from amounts appearing in the December 31, 1999 Consolidated Segment Information (see Form 10-K for the year then ended).

(5) Special Charges

During the nine-month period ended September 30, 2000, we incurred \$1,504,000 of costs in connection with the consolidation and reorganization of manufacturing operations. The severance costs recognized for 88 terminated employees were \$861,000. Other costs of \$643,000 were incurred and were primarily associated with the closure, consolidation and reorganization of manufacturing plants in both the Instrumentation and Fluid Regulation and Petrochemical segments. The portion of the accrued severance costs to be paid subsequent to September 30, 2000 totals \$470,000. Special charges of \$722,000 were incurred in the first nine months of 1999, all associated with the closure, consolidation and reorganization of manufacturing plants in the Instrumentation and Fluid Regulation segment.

(6) Earnings Per Common Share (in thousands, except per share amounts)

	Three-Months Ended September 30, 2000		
	-----	-----	-----
	Net Income	Shares	Per Share Amount
	-----	-----	-----
Basic EPS	\$ 2,287	13,237	\$ 0.17
Dilutive securities, principally common stock options	--	87	--
Diluted EPS	\$ 2,287	13,324	\$ 0.17
	=====	=====	=====

Options to purchase 864,941 shares of common stock at prices ranging from \$9.17 to \$13.94 were outstanding during the three-month period ended September 30, 2000. These options were not included in the related computations of diluted EPS since the exercise price of the options was greater than the average market price of the common shares during the period.

	Nine-Months Ended September 30, 2000		
	Net Income	Shares	Per Share Amount
Basic EPS	\$ 7,899	13,237	\$ 0.60
Dilutive securities, principally common stock options	--	263	(0.01)
Diluted EPS	\$ 7,899	13,500	\$ 0.59

Options to purchase 376,074 shares of common stock at prices ranging from \$11.38 to \$13.94 were outstanding during the nine-month period ended September 30, 2000. These options were not included in the related computations of diluted EPS since the exercise price of the options was greater than the average market price of the common shares during the period.

(7) Pro Forma Consolidated Statement of Operations

The following unaudited pro forma financial information presents a summary of the consolidated results of operations as if the spin-off and related transactions had occurred at the beginning of the periods presented.

Additional administrative expenses would have been incurred had we been a publicly held, independent company before the spin-off and are shown as a pro forma adjustment. We would have incurred additional compensation and related costs for employees to perform functions that had been performed at Watts' corporate headquarters (i.e., treasury, investor relations, regulatory compliance and risk management). We would have also incurred additional amounts for corporate governance costs, stock transfer agent costs, incremental professional fees and other administrative activities.

Historical interest expense includes \$1,289,000 and \$3,148,000 of expense allocated from Watts for the three-month and nine-month periods ended September 30, 1999, respectively. Pro forma interest expense includes \$269,000 and \$852,000 of interest expense for the three-month and nine-month periods ended September 30, 1999, respectively, on borrowings under our credit facility and from the issuance of senior unsecured notes. The borrowings under our credit facility and senior unsecured notes were assumed to bear an annualized interest rate, including amortization of related fees, of 7.3%, which was our estimate of the then currently available rate for borrowings under comparable credit facilities. The interest rates applicable to borrowings under our credit facility were subject to changes in the general financial markets. The historical allocation of Watts' interest expense was based on Watts' lower weighted average interest rate applied to the average balance of investments by and advances from Watts.

Pro forma income tax benefits attributable to the above adjustments were recorded at a combined federal and state rate of 40%.

The weighted average number of common shares outstanding used to calculate pro forma earnings per share for the three-month and nine-month periods ended September 30, 1999 assumed the spin-off transaction ratio of one share of CIRCOR International, Inc. for each two shares of Watts Industries, Inc. The calculation of pro forma diluted earnings per share assumes the conversion of all dilutive securities related to CIRCOR employees (see note 10 in Form 10-K). Pro forma net income and number of shares used to compute pro forma net earnings per share basic and assuming full dilution, are reconciled below (in thousands, except per share amounts):

	Three-Months Ended September 30, 1999		
	Pro Forma Net Income	Shares	Per Share Amount
Basic EPS	\$ 1,496	13,224	\$ 0.11
Dilutive securities, principally common stock options	--	39	--
Diluted EPS	\$ 1,496	13,263	\$ 0.11

Nine-Months Ended September 30, 1999

	Pro Forma Net Income	Shares	Per Share Amount
Basic EPS	\$ 6,740	13,257	\$ 0.51
Dilutive securities, principally common stock options	--	16	--
Diluted EPS	\$ 6,740	13,273	\$ 0.51

(8) Comprehensive Income

Our other comprehensive income consists solely of cumulative translation adjustments. We do not provide U.S. income taxes on foreign currency translation adjustments since we do not provide for such taxes on undistributed earnings of foreign subsidiaries. Comprehensive income for the three-month and nine-month periods ended September 30, 2000 and 1999 was as follows (in thousands):

	Three-Months Ended September 30,		Nine-Months Ended September 30,	
	2000	1999	2000	1999
Net income	\$ 2,287	\$ 1,688	\$ 7,899	\$ 7,358
Foreign currency translation adjustments	(1,395)	559	(2,493)	(1,213)
Total comprehensive income	\$ 892	\$ 2,247	\$ 5,406	\$ 6,145

(9) Contingencies and Environmental Remediation Contingencies

We are subject to pending or threatened lawsuits and proceedings or claims arising from the ordinary course of operations. Reserves have been established which management presently believes are adequate in light of probable and estimable exposure to the pending or threatened litigation of which it has knowledge. Such contingencies are not expected to have a material effect on our financial position, results of operations, or liquidity.

On July 12, 2000, we were notified that the United States Customs Service ("Customs") is conducting an investigation to determine whether our subsidiary, KF Industries, Inc. ("KF"), is in compliance with country of origin marking requirements on those valves that KF imports from sources in the People's Republic of China, including our Chinese joint venture. We believe that KF's marking practices have been in substantial compliance with Customs' regulations and we are cooperating with Customs in its investigation. While we believe that the Customs investigation will not result in any material liability to the Company, there can be no assurances. If the Customs investigation were to reveal that violations of the Customs laws had occurred, KF could be subjected to civil fines and forfeitures and (if such violations were determined to be intentional) criminal penalties, which could be material.

We have been named a potentially responsible party with respect to identified contaminated sites. The level of contamination varies significantly from site to site as do the related levels of remediation efforts. Environmental liabilities are recorded based on the most probable cost, if known, or on the estimated minimum cost of remediation. Our accrued estimated environmental liabilities are based on assumptions which are subject to a number of factors and uncertainties. Circumstances which can affect the reliability and precision of these estimates include identification of additional sites, environmental regulations, level of cleanup required, technologies available, number and financial condition of other contributors to remediation and the time period over which remediation may occur. We recognize changes in estimates as new remediation requirements are defined or as new information becomes available. We estimate that accrued environmental remediation liabilities will likely be paid over the next five to ten years. Such environmental remediation contingencies are not expected to have a material effect on our financial position, results of operation, or liquidity.

(10) Business Acquisitions

On July 22, 1998, Watts Investment Company, a subsidiary of our former parent, Watts Industries, Inc., acquired Hoke, Inc. ("Hoke"). On October 18, 1999, the spin-off date, the ownership of Hoke Inc. was transferred to CIRCOR. Additionally, Watts Investment Company assigned to us all of its rights under the Stock Purchase Agreement governing the Hoke acquisition (the "Stock Purchase Agreement"). As a result, we became the claimant in two separate arbitration proceedings against the former Hoke stockholders.

Under the terms of the Stock Purchase Agreement, Watts Investment Company was obligated to prepare a closing date balance sheet and closing net worth statement, which when compared to the closing net worth as detailed in the Stock Purchase Agreement, would result in either an upward or downward purchase price adjustment. Watts Investment Company prepared the closing date balance sheet that showed that the closing net worth was approximately \$9.9 million lower than the target amount in the Stock Purchase Agreement, and sought a purchase price adjustment for that amount. The former Hoke stockholders objected to the closing date balance sheet and closing net worth statement. In early 1999, pursuant to the terms of the Stock Purchase Agreement, arbitration proceedings began, between the former Hoke stockholders and us, to determine the closing net worth of Hoke. In May, 2000 the arbitrator awarded us a purchase price adjustment in the amount of \$6,219,774. Because the Stock Purchase Agreement provided for a deferred purchase price payment by us of \$3,500,000, the net effect of the arbitrator's award would result in a payment to us of \$2,719,774. The Former Hoke stockholders now have made payment of all amounts owed to us as a result of this award. The amount of the award less the associated costs of defending our claim has been accounted for as a \$1,542,000 reduction in the purchase price for this acquisition.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This quarterly Report contains certain statements that are "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995 (the "Act") and releases issued by the Securities and Exchange Commission. The words "believe," "expect," "anticipate," "intend," "estimate" and other expressions which are predictions of or indicate future events and trends and which do not relate to historical matters identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Results of Operations for the Three-Months Ended September 30, 2000 Compared to the Three-Months Ended September 30, 1999

The following tables set forth the percentage of net revenues and the yearly percentage change in certain financial data for the three-months ended September 30, 2000 and 1999.

	As a percentage of net revenues three-months ended September 30,		Year-to-Year Percentage Increase (Decrease)
	2000 ----	1999 ----	
Net revenues	100.0%	100.0%	(2.7)%
Cost of revenues	69.1%	69.3%	(3.0)%
	-----	-----	
Gross profit	30.9%	30.7%	(2.0)%
Selling, general and administrative expenses	21.6%	22.8%	(7.6)%
Special charges	1.1%	0.9%	10.9%
	-----	-----	
Operating income	8.2%	7.0%	14.8%
Other (income) expense:			
Interest (income) expense, net	2.8%	2.7%	0.8%
Other (income) expense, net	0.3%	0.5%	(40.7)%
	-----	-----	
Income before income taxes	5.1%	3.8%	30.7%
Provisions for income taxes	2.1%	1.6%	24.5%
	-----	-----	
Net income	3.0%	2.2%	35.5%
	=====	=====	

Net revenues for the three-months ended September 30, 2000 decreased by \$2.1 million, or 2.7%, to \$75.6 million compared to \$77.7 million for the quarter ended September 30, 1999. The decrease in net revenues for the quarter ended September 30, 2000 is attributable to the following:

	2000	1999	Total Change	Operations	Foreign Exchange
	-----	-----	-----	-----	-----
	(in thousands)				
Instrumentation & Fluid Regulation	\$ 43,246	\$ 41,436	\$ 1,810	\$ 2,448	\$ (638)
Petrochemical	32,391	36,277	(3,886)	(3,136)	(750)
	-----	-----	-----	-----	-----
Total	\$ 75,637	\$ 77,713	\$ (2,076)	\$ (688)	\$ (1,388)
	=====	=====	=====	=====	=====

The Instrumentation and Fluid Regulation products segment accounted for 57.2% of net revenues in the current quarter compared to 53.3% last year. The Petrochemical products segment accounted for 42.8% of net revenues in the third quarter of 2000 compared to 46.7% for the same quarter last year.

Instrumentation and Fluid Regulation revenues increased \$1.8 million, or 4.4%. The net increase is primarily due to \$2.7 million higher sales in the Instrumentation product lines, partially offset by the weakening of the Euro which reduced instrumentation product revenues by \$0.6 million. The net decrease in Petrochemical revenues of \$3.9 million, or 10.7%, was principally the result of a \$3.4 million decrease in revenues from our Italian based operation partially caused by reduced oil and gas construction project activity. This decrease was partially offset by a \$0.5 million increase in sales of products from our Chinese joint venture. Foreign exchange rate changes were unfavorable in Europe, resulting in a decrease in Petrochemical revenues of \$0.8 million.

Gross profit decreased \$0.5 million, or 2.0%, to \$23.4 million for the three-months ended September 30, 2000 compared to \$23.9 million at September 30, 1999. However, gross margin increased from 30.7% in 1999 to 30.9% in 2000 as a result of improved operating efficiencies within the Instrumentation and Fluid Regulation segment. Gross profit from the Petrochemical segment decreased year-over-year by \$2.7 million due to lower volume and competitive pricing related to slower market conditions. The decrease is also the net result of higher revenues primarily in the North American market offset by higher manufacturing costs in one of its key plants. The plant was the recipient of a product line transfer during late 1999 to consolidate manufacturing. Subcontract machining and other costs increased as the management team began to work through its manufacturing planning issues. The Petrochemical segment also had a lower level of orders for the large oil and gas construction projects this year in its Italian operation. Total gross profit declined by \$0.2 million as a result of the weaker Euro.

Selling, general and administrative expenses decreased \$1.3 million, or 7.6%, to \$16.4 million for the three-months ended September 30, 2000 compared with \$17.7 million for the same quarter in the prior year. The Instrumentation and Fluid Regulation segment reduced operating expenses by \$0.8 million, of which approximately \$0.5 million was the result of the consolidation of manufacturing and administrative functions. Petrochemical segment expenses declined by \$0.2 million, primarily as a result of lower spending in the Italian operation. The weaker Euro resulted in a favorable reduction of expenses of \$0.3 million.

During the third quarters of 2000 and 1999, special charges of \$0.8 million and \$0.7 million, respectively, were incurred associated with the closure, consolidation and reorganization of manufacturing operations in the Instrumentation and Fluid Regulation segment. These costs consisted primarily of severance for terminated employees and exit costs associated with plant closures, and relocation of manufacturing equipment.

The change in operating income for the quarter ended September 30, 2000 is attributable to the following:

	2000	1999	Total Change	Operations	Foreign Exchange
	-----	-----	-----	-----	-----
	(in thousands)				
Instrumentation & Fluid Regulation	\$ 7,061	\$ 3,863	\$ 3,198	\$ 3,203	\$ (5)
Petrochemical	855	3,258	(2,403)	(2,444)	41
Corporate	(1,704)	(1,708)	4	4	--
	-----	-----	-----	-----	-----
Total	\$ 6,212	\$ 5,413	\$ 799	\$ 763	\$ 36
	=====	=====	=====	=====	=====

The net increase in total company operating earnings of \$0.8 million included an increase of \$3.2 million in the Instrumentation and Fluid Regulation segment's result partially offset by a decline in results from the Petrochemical segment of \$2.4 million. The increase in operating income in the Instrumentation and Fluid Regulation product segment

was partially attributable to improved operating efficiencies, primarily resulting from the completion of plant consolidations that occurred late last year. These gains were partially offset by lower overhead absorption, resulting from the lower production requirements of the current quarter versus that of the prior year. The decrease in operating income in the Petrochemical segment is primarily due to lower revenues and gross profit which were impacted by competitive market pricing and certain manufacturing cost inefficiencies, partially offset by modest expense reductions.

Net interest expense remained essentially unchanged at \$2.1 million at September 30, 2000 due to a lower average debt balance outstanding in the current year, compared to the higher prior year average balance used by Watts for allocation of interest expenses prior to the spin-off, and higher current year interest rates.

Other non-operating expense decreased by \$0.1 million, to \$0.2 million at September 30, 2000 compared with \$0.3 million as of September 30, 1999. The decrease is primarily attributable to reduced foreign exchange losses.

The effective tax rate decreased to 41.0% from 43.0%. Prior to the spin-off, income tax was calculated, to the extent possible, as if we had filed separate income tax returns and benefited from the Watts strategies associated with our operations. Similar strategies were put in place this year following a favorable supplemental ruling from the Internal Revenue Service received in April, 2000.

Net income increased \$0.6 million to \$2.3 million. This increase is primarily attributable to the improved results of the Instrumentation and Fluid Regulation segment and lower tax rates partially offset by lower revenues and cost inefficiencies in the Petrochemical segment as well as higher special charges related to plant consolidation activities.

The combined results of operations are impacted by changes in foreign exchange rates which have an effect on our international subsidiaries' operating results. Year to year changes in foreign exchange rates had an immaterial impact on net income for the quarter ended September 30, 2000.

Results of Operations for the Nine-Months Ended September 30, 2000 Compared to the Nine-Months Ended September 30, 1999

The following tables set forth the percentage of net revenues and the yearly percentage change in certain financial data for the nine-months ended September 30, 2000 and 1999.

	As a percentage of net revenues nine-months ended September 30,		Year-to-Year Percentage Increase (Decrease)
	2000	1999	
Net revenues	100.0%	100.0%	0.9%
Cost of revenues	68.6%	67.5%	2.6%
Gross profit	31.4%	32.5%	(2.5)%
Selling, general and administrative expenses	21.8%	23.9%	(8.2)%
Special charges	0.6%	0.3%	108.3%
Operating income	9.0%	8.3%	10.0%
Other (income) expense:			
Interest (income) expense, net	3.0%	2.8%	9.8%
Other (income) expense, net	0.3%	0.3%	29.1%
Income before income taxes	5.7%	5.2%	9.1%
Provisions for income taxes	2.4%	2.1%	11.7%
Net income	3.3%	3.1%	7.4%

Net revenues for the nine-months ended September 30, 2000 increased by \$2.2 million, or 0.9%, to \$236.9 million compared to \$234.7 million for the nine-months ended September 30, 1999. The increase in net revenues for the period ended September 30, 2000 is attributable to the following:

	2000	1999	Total Change	Acquisitions	Operations	Foreign Exchange
	-----	-----	-----	-----	-----	-----
			(in thousands)			
Instrumentation & Fluid Regulation	\$ 131,987	\$ 131,266	\$ 721	\$ 1,458	\$ 672	\$ (1,409)
Petrochemical	104,912	103,438	1,474	141	3,334	(2,001)
Total	\$ 236,899	\$ 234,704	\$ 2,195	\$ 1,599	\$ 4,006	\$ (3,410)

The Instrumentation and Fluid Regulation products segment accounted for approximately 55.7% of net revenues in the first nine months compared to 55.9% last year. The Petrochemical product segment accounted for approximately 44.3% of net revenues this year compared to 44.1% for the same period last year.

Instrumentation and Fluid Regulation product revenues increased \$0.7 million, or 0.5%. The net increase is primarily due to: incremental revenue of \$1.5 million as a result of the GO Regulator acquisition in April, 1999; a year-to-year increase in U.S. instrumentation revenues of \$2.3 million, primarily within the aerospace markets; a \$0.6 million increase in the volume of European instrumentation product revenues; \$2.2 million lower revenues of steam products, resulting from a lower product order backlog at the beginning of the year than was available in the prior year; and the effect of a weaker Euro which reduced instrumentation revenues by \$1.4 million. The net increase in petrochemical revenues of \$1.5 million, or 1.4%, was principally the result of \$8.4 million in higher North American revenues related to improved customer spending on maintenance and repair and small capital projects, a \$2.0 million increase in revenue from the Chinese joint venture and a \$6.9 million decrease in revenues from the Italian based operation due to a reduced number of large oil and gas construction projects. Net foreign exchange rate changes were unfavorable, which decreased Petrochemical revenues by \$2.0 million.

Gross profit decreased \$1.9 million, or 2.5%, to \$74.3 million for the nine-months ended September 30, 2000 compared to \$76.2 million at September 30, 1999. Gross margin declined from 32.5% in 1999 to 31.4% in 2000. Gross profit from the Instrumentation and Fluid Regulation segment was flat, with the increase in gross profit attributable to operations of \$0.4 million offset by unfavorable foreign exchange. Gross profit from the Petrochemical segment decreased year-over-year by \$1.9 million. The decrease is the net result of: lower revenues in certain higher margin product lines, resulting from reduced capital project activity for the global oil and gas markets this year; coupled with the related effect of competitive pricing; and by higher manufacturing costs at a key North American plant.

Selling, general and administrative expenses decreased \$4.6 million, or 8.2%, to \$51.5 million at September, 2000 compared with \$56.1 million for the same period in the prior year. The Instrumentation and Fluid Regulation segment reduced operating expenses by \$4.7 million, of which approximately \$4.2 million was the result of the consolidation of manufacturing and administrative functions. Increased corporate spending of approximately \$0.6 million reflects additional costs associated with operating as an independent public company. The weaker Euro resulted in reduced overall expenses of \$0.7 million.

During the first nine months, special charges of \$1.5 million were incurred associated with the closure, consolidation and reorganization of manufacturing operations in both the Instrumentation and Fluid Regulation and Petrochemical segments. These costs consisted primarily of severance for terminated employees and exit costs associated with plant closures, including relocation of manufacturing equipment. During the first nine months of 1999 similar consolidation charges of \$0.7 million were incurred.

The change in operating income for the nine-months ended September 30, 2000 is attributable to the following:

	2000	1999	Total Change	Acquisitions	Operations	Foreign Exchange
	-----	-----	-----	-----	-----	-----
	(in thousands)					
Instrumentation & Fluid Regulation	\$ 21,383	\$ 17,229	\$ 4,154	\$ 105	\$ 4,058	\$ (9)
Petrochemical	5,060	6,670	(1,610)	51	(1,801)	140
Corporate	(5,130)	(4,517)	(613)	--	(613)	--
	-----	-----	-----	-----	-----	-----
Total	\$ 21,313	\$ 19,382	\$ 1,931	\$ 156	\$ 1,644	\$ 131
	=====	=====	=====	=====	=====	=====

The increase in operating income in the Instrumentation and Fluid Regulation products segment was primarily attributable to improved manufacturing and administrative operating efficiencies. These gains were partially offset by lower manufacturing overhead absorption, resulting from the lower production requirements of the current period versus that of the prior year, and by the effect of the special charges incurred during the period. The decrease in operating income in the Petrochemical products segment is primarily due to: additional gross profit related to incremental revenues offset by lower gross profit due to the effect of competitive pricing pressures, manufacturing cost inefficiencies and the special charges related to plant closures and reorganization. Additional corporate spending of \$0.6 million is associated with operating as an independent public company.

Net interest expense increased \$0.6 million to \$7.1 million at September 30, 2000 due to higher current year interest rates.

Other non-operating expense increased by \$0.2 million, to \$0.8 million at September 30, 2000 compared with \$0.6 million as of September 30, 1999. The increase is primarily attributable to higher minority interest expense related to the current year improvement in the profitability of our Chinese joint venture operation.

The effective tax rate increased to 41.0% from 40.0%. Prior to the spin-off, income tax was calculated, to the extent possible, as if we had filed separate income tax returns and we benefited from the Watts strategies associated with our operations. Similar strategies were not put in place immediately following the spin-off as we were required to wait for a favorable supplemental ruling from the Internal Revenue Service which we eventually received in April, 2000.

Net income increased \$0.5 million to \$7.9 million from \$7.4 million in the comparable period last year as improved operating results within the Instrumentation and Fluid Regulation segment were partially offset by the decrease in performance within the Petrochemical products segment and higher special charges related to consolidation activities identified above.

The combined results of operations are impacted by the effect that changes in foreign exchange rates have on our international subsidiaries' operating results. Year to year changes in foreign exchange rates had an immaterial impact on net income for the period ended September 30, 2000.

Liquidity and Capital Resources

During the nine-month period ended September 30, 2000, we generated \$27.4 million in cash flow from operating activities and we received \$1.5 million as partial settlement of our litigation against the former Hoke stockholders. Our uses of cash included \$2.5 million to purchase capital equipment, and a net \$22.8 million was used to reduce our long-term debt. Capital expenditures were primarily for manufacturing machinery and equipment to further improve and consolidate manufacturing operations. Our capital expenditure budget for the year ending December 31, 2000 is \$5.0 million.

Since December 31, 1999, we have reduced the balance of our \$75.0 million unsecured credit facility by \$21.0 million to \$11.0 million, and as of September 30, 2000, we had \$64.0 million available to support our acquisition program, working capital requirements and for general corporate purposes.

To fulfill a representation made to the Internal Revenue Service ("IRS") as part of the application for the tax-free treatment of our spin-off from Watts, we had intended to engage in an equity offering within approximately one year after the spin-off. Because we believed that market conditions were not favorable for completion of such an offering during that one-year period, we filed for and received a supplemental ruling from the IRS extending our original timeline by an additional six months. Therefore, we now intend to engage in an equity offering by April 18, 2001. We intend to use the proceeds from an equity offering, together with available funds from our unsecured line of credit, to fund future acquisitions.

The ratio of current assets to current liabilities at September 30, 2000 was 4.3 to 1 compared to 4.5 to 1 at December 31, 1999. Cash and cash equivalents were \$7.7 million at September 30, 2000 compared to \$5.2 million at December 31, 1999. Debt as a percentage of total capital employed was 35.2% at September 30, 2000 compared to 40.6% at December 31, 1999. At September 30, 2000, we were in compliance with all covenants related to existing debt obligations.

We anticipate that available funds and those funds provided from ongoing operations will be sufficient to meet current operating requirements and anticipated capital expenditures for at least the next 24 months.

We use foreign currency forward contracts to manage the risk related to intercompany and third party sales and certain open foreign currency denominated commitments to sell product to third parties. Related gains and losses are recognized when the contracts expire, which are generally in the same period as the underlying foreign currency denominated transaction. These contracts do not subject us to significant market risk from exchange movement because they offset gains and losses on the related foreign currency denominated transactions. At September 30, 2000, we had forward contracts to buy foreign currencies with a face value of \$2.5 million. These contracts mature on various dates between November 2000 and July 2001 and had a fair market value of less than \$0.1 million at September 30, 2000. The counterparties to these contracts are major financial institutions. Our risk of loss in the event of non-performance by the counterparty is not significant.

From time-to-time, we are involved with product liability, environmental proceedings and other litigation proceedings and incur costs on an ongoing basis related to these matters. We have not incurred material expenditures in the nine-month period ended September 30, 2000 in connection with any of these matters. See Part II, Item 1, Legal Proceedings.

Other

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition". An amendment has delayed the effective date until the fourth quarter of 2000. The Company is reviewing the requirements of this standard and has not yet determined the impact of this standard on its consolidated financial statements.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCUSSION ABOUT MARKET RISK

The following discussion of our risk-management activities may include "forward-looking statements" that involve risk and uncertainties. Actual results could differ significantly from those forward-looking statements.

The primary risk exposures are in the areas of market risk, interest rate risk, foreign exchange rate risk and commodity price risk.

Market Risk

The oil and gas market has historically been subject to cyclicity depending upon supply and demand of crude oil and its derivatives as well as natural gas. When oil and gas prices decrease, expenditures on maintenance and repair decline rapidly and outlays for exploration and in-field drilling projects decrease and, accordingly, demand for valve products is reduced. When oil and gas prices rise, maintenance and repair activity normally increases and we benefit from increased demand for valve products. However, price increase which may be considered temporary in nature, or not driven by customer demand may result in longer lead times for Petrochemical sales orders.

Interest Rate Risk

At September 30, 2000, our primary interest rate risk relates to borrowings under its \$75.0 million revolving credit facility. The interest rate on those borrowings fluctuates with changes in short-term borrowing rates. There was \$11.0 million of borrowings from the revolving credit facility outstanding as of September, 2000. Based upon the expected levels of borrowings under this facility in 2001, an increase in interest rates of 100 basis points would not have a material effect on our results of operations or cash flows (less than \$0.1 million).

Information about our long-term debt appears in Note 9 to the consolidated financial statements filed with our Annual Report on Form 10-K.

Foreign Exchange Rate Risk

We use foreign currency forward contracts to manage the risk related to intercompany and third party sales that occur during the fiscal year and certain open foreign currency denominated commitments to sell products to third parties.

We do not use derivative financial instruments for speculative or trading purposes. We use simple straight-forward instruments that are placed with major institutions. Risk management strategies are reviewed and approved by senior management before being implemented. Information about our use of forward currency forward exchange contracts appears in Note 13 to the consolidated financial statements filed with our Annual Report on Form 10-K and included in Part 1. Item 2 Liquidity and Capital Resources section in the Report.

Commodity Price Risk

The raw materials used in production process are stainless steel, carbon steel, cast iron and brass. We purchase these materials from numerous suppliers nationally and internationally, and have not historically experienced significant difficulties in obtaining these commodities in quantities sufficient for our operations. However, these commodities are subject to price fluctuations which may adversely affect our results of operations. We manage this risk by offsetting

increases in commodities with increased sales prices, an active materials management program and the diversity of materials used in our production processes.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We, like other worldwide manufacturing companies, are subject to a variety of potential liabilities connected with our business operations, including potential liabilities and expenses associated with possible product defects or failures and compliance with environmental laws. We maintain \$5.0 million in aggregate product liability insurance and \$75.0 million coverage available under an excess umbrella liability insurance policy. We also maintain a products liability policy with aggregate limits of \$200 million for the aviation products produced by our Circle Seal Controls operation. We believe this coverage to be generally in accordance with industry practices. Nonetheless, such insurance coverage may not be adequate to protect us fully against substantial damage claims which may arise from product defects and failures or from environmental liability.

Leslie Controls, Inc. ("Leslie") and Spence Engineering Company, Inc. ("Spence"), both subsidiaries of CIRCOR, are third-party defendants in over 300 civil product liability actions filed against ship owner defendants in the U.S. District Court, Northern District of Ohio (Cleveland) between the 1980s and 1996. These cases are part of tens of thousands of maritime asbestos cases filed in this court against multiple defendants. The ship owner defendants' third-party claims in the Leslie and Spence cases typically involve 20-30 third-party defendants. The claims against Leslie and Spence assert that the packing in metal pumps and the gaskets in metal valves supplied by Leslie and Spence contained asbestos which contributed to the asbestos exposure of plaintiffs who worked on the defendants' ships. To date, two cases involving Leslie only have settled in a way that required a payment from Leslie. One case settled in 1995 with a \$2,000 payment from Leslie; another settled in 1989 with a \$500 payment from Leslie. These thousands of cases are subject to court ordered moratoriums on answers and motion practice, and the very small percentage of these cases that have come to trial since 1996 have not involved Leslie or Spence.

Leslie and its insurers had been in dispute over payment of approximately \$560,000 in legal fees incurred to defend these cases through 1994 and approximately \$300,000 in legal fees incurred from 1995 through the present time. The dispute resulted from a gap in Leslie's insurance coverage from 1965 to 1973. During the fall of 1999, Leslie and its insurers entered into an agreement pursuant to which Leslie has agreed to be responsible for 41% of all legal fees and settlement costs incurred from 1995 forward.

We have established reserves for all of the claims discussed above, including reserves relating to the claims disputed by our insurance carriers, and we do not currently believe it is reasonably likely that a range of loss could occur in excess of the amounts accrued. We have not recorded any probable third-party recoveries of our own on these claims.

We are currently a party to or otherwise involved in various administrative or legal proceedings under federal, state or local environmental laws or regulations involving a number of sites, in some cases as a participant in a group of potentially responsible parties, referred to as PRPs. Two of these sites, the Sharkey and Combe Landfills in New Jersey, are listed on the National Priorities List. With respect to the Sharkey Landfill, we have been allocated 0.75% of the remediation costs, an amount which is not material to us. With respect to the Combe Landfill, we have settled the Federal Government's claim for an amount which is immaterial and anticipate settling with the State of New Jersey for an amount not greater than that paid to the Federal Government. Moreover, our insurers have covered defense and settlement costs to date with respect to the Sharkey and Combe Landfills. In addition we are involved as a PRP with respect to the Solvent Recovery Service of New England site and the Old Southington landfill site, both in Connecticut. These sites are on the National Priorities List but, with respect to both sites, we have the right to indemnification from third parties. Based on currently available information, we believe that our share of clean-up costs at these sites will not be material.

On July 12, 2000, we were notified that the United States Customs Service ("Customs") is conducting an investigation to determine whether our subsidiary KF Industries, Inc. ("KF"), is in compliance with country of origin marking requirements on those valves that KF imports from sources in the People's Republic of China including our joint venture there. We believe that KF's marking practices have been in substantial compliance with Customs' regulations and we are cooperating with Customs in its investigation. While we believe that the Customs investigation will not result in any material liability to us, there can be no assurances. If the Customs investigation were to reveal that violations of the Customs laws had occurred, KF could be subjected to civil fines, forfeitures and (if such violations were determined to be intentional) criminal penalties, which could be material.

On July 22, 1998, Watts Investment Company, a subsidiary of our former parent, Watts Industries, Inc., acquired Hoke, Inc. ("Hoke"). On October 18, 1999, the spin-off date, the ownership of Hoke Inc. was transferred to CIRCOR. Additionally, Watts Investment Company assigned to us all of its rights under the Stock Purchase Agreement governing the Hoke acquisition (the "Stock Purchase Agreement"). As a result, we became the claimant in two separate arbitration proceedings against the former Hoke stockholders.

Under the terms of the Stock Purchase Agreement, Watts Investment Company was obligated to prepare a closing date balance sheet and closing net worth statement, which when compared to the closing net worth as detailed in the Stock Purchase Agreement, would result in either an upward or downward purchase price adjustment. Watts Investment Company prepared the closing date balance sheet that showed that the closing net worth was approximately \$9.9 million lower than the target amount in the Stock Purchase Agreement, and sought a purchase price adjustment for that amount. The former Hoke stockholders objected to the closing date balance sheet and closing net worth statement. In early 1999, pursuant to the terms of the Stock Purchase Agreement, arbitration proceedings began, between the former Hoke stockholders and us, to determine the closing net worth of Hoke. In May, 2000 the arbitrator awarded us a purchase price adjustment in the amount of \$6,219,774. Because the Stock Purchase Agreement provided for a deferred purchase price payment by us of \$3,500,000, the net effect of the arbitrator's award would result in a payment to us of \$2,719,774. The Former Hoke stockholders now have made payment of all amounts owed to us as a result of this award.

We also are the claimant in an indemnification claim against the former Hoke stockholders pursuant to the Stock Purchase Agreement. This claim, made on December 11, 1998, asserts that the former Hoke stockholders, either intentionally or unintentionally, made misrepresentations in the Stock Purchase Agreement regarding Hoke's financial statements and that those misrepresentations caused Hoke's earnings for 1997 to be inflated, thereby causing us harm. This claim is the subject of a separate proceeding, with a different arbitrator than was used in the closing date balance sheet dispute. In August 2000, the parties participated in a two-day hearing in front of the arbitrator and expect a resolution of this matter in the near future.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

NONE

ITEM 6. EXHIBITS AND REPORTS OF FORM 8-K

(a) EXHIBIT INDEX

Exhibit No. -----	Description and Location -----
2	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession:
2.1	Distribution Agreement between Watts Industries, Inc. and the Company dated as of October 1, 1999, is incorporated herein by reference to Exhibit 2.1 to Amendment No. 2 to the Company's Registration Statement on Form 10, File No. 000-26961, filed with the Securities and Exchange Commission on October 6, 1999 ("Amendment No. 2 to the Form 10").
3	Articles of Incorporation and By-Laws:
3.1	The Amended and Restated Certificate of Incorporation of the Company is incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form 10, File No. 000-26961, filed with the Securities and Exchange Commission on August 6, 1999 ("Form 10").
3.2	The Amended and Restated By-Laws of the Company are incorporated herein by reference to Exhibit 3.2 to the Form 10.
3.3	Certificate of Designations, Preferences and Rights of a Series of Preferred Stock of CIRCOR International, Inc. classifying and designating the Series A Junior Participating Cumulative Preferred Stock is incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A, File No. 001-14962, filed with the Securities and Exchange Commission on October 21, 1999 ("Form 8-A").
4	Instruments Defining the Rights of Security Holders, Including Debentures:
4.1	Shareholder Rights Agreement, dated as of September 16, 1999, between CIRCOR International, Inc. and BankBoston, N.A., as Rights Agent is incorporated herein by reference to Exhibit 4.1 to the Form 8-A.
9	Voting Trust Agreements:
9.1	The Amended and Restated George B. Horne Voting Trust Agreement - 1997 dated as of September 14, 1999 is incorporated herein by reference to Exhibit 9.1 to Amendment No. 1 to the Company's Registration

Statement on Form 10, File No. 000-26961, filed with the Securities and Exchange Commission on September 22, 1999 ("Amendment No. 1 to the Form 10").

10 Material Contracts:

- 10.1 CIRCOR International, Inc. 1999 Stock Option and Incentive Plan is incorporated herein by reference to Exhibit 10.1 to Amendment No. 1 to the Form 10.
- 10.2 Form of Incentive Stock Option Agreement under the 1999 Stock Option and Incentive Plan is incorporated herein by reference to Exhibit 10.2 to Amendment No. 1 to the Form 10.
- 10.3 Form of Non-Qualified Stock Option Agreement for Employees under the 1999 Stock Option and Incentive Plan (Five Year Graduated Vesting Schedule) is incorporated herein by reference to Exhibit 10.3 to Amendment No. 1 to the Form 10.
- 10.4 Form of Non-Qualified Stock Option Agreement for Employees under the 1999 Stock Option and Incentive Plan (Performance Accelerated Vesting Schedule) is incorporated herein by reference to Exhibit 10.4 to Amendment No. 1 to the Form 10.
- 10.5 Form of Non-Qualified Stock Option Agreement for Independent Directors under the 1999 Stock Option and Incentive Plan is incorporated herein by reference to Exhibit 10.5 to Amendment No. 1 to the Form 10.
- 10.6 CIRCOR International, Inc. Management Stock Purchase Plan is incorporated herein by reference to Exhibit 10.6 to Amendment No. 1 to the Form 10.
- 10.7 Form of CIRCOR International, Inc. Supplemental Employee Retirement Plan is incorporated herein by reference to Exhibit 10.7 to Amendment No. 1 to the Form 10.
- 10.8 Supply Agreement between Watts Industries, Inc. and CIRCOR International, Inc. is incorporated herein by reference to Exhibit 10.8 to Amendment No. 2 to the Form 10.
- 10.9 Trademark License Agreement between Watts Industries, Inc. and CIRCOR International, Inc. is incorporated herein by reference to Exhibit 10.9 to Amendment No. 2 to the Form 10.
- 10.10 Lease Agreement, dated as of February 14, 1999, between BY-PASS 85 Associates, LLC and CIRCOR International, Inc. is incorporated herein by reference to Exhibit 10.10 to Amendment No. 1 to the Form 10.
- 10.11 Trust Indenture from Village of Walden Industrial Development Agency to The First National Bank of Boston, as Trustee, dated June 1, 1994 is herein incorporated by reference to Exhibit 10.14 of the Watts Industries, Inc. Annual Report on Form 10-K, File No. 0-14787, filed with the Securities and Exchange Commission on September 26, 1994.
- 10.12 Loan Agreement between Hillsborough County Industrial Development Authority and Leslie Controls, Inc. dated July 1, 1994 is herein incorporated by reference to Exhibit 10.15 of the Watts Industries, Inc. Annual Report on Form 10-K, File No. 0-14787, filed with the Securities and Exchange Commission on September 26, 1994.
- 10.13 Trust Indenture from Hillsborough County Industrial Development Authority to The First National Bank of Boston, as Trustee, dated July 1, 1994 is herein incorporated by reference to Exhibit 10.17 of the Watts Industries, Inc. Annual Report on Form 10-K, File No. 0-14787, filed with the Securities and Exchange Commission on September 26, 1994.
- 10.14 Form of Indemnification Agreement between CIRCOR and each of its directors is herein incorporated by reference to Exhibit 10.20 to the Form 10.
- 10.15 Executive Employment Agreement between CIRCOR, Inc. and David A. Bloss, Sr., dated as of September 16, 1999 is incorporated herein by reference to Exhibit 10.15 to Amendment No. 1 to the Form 10.
- 10.17 Amended and Restated Letter of Credit, Reimbursement and Guaranty Agreement dated as of October 18, 1999 among Leslie Controls, Inc., as Borrower, CIRCOR International, Inc., as Guarantor, and First Union National Bank as Letter of Credit Provider is herein incorporated by reference to Exhibit 10.17 to the Company's Current Report on Form 8-K, File No. 001-14962, filed with the Securities and Exchange Commission on October 21, 1999.
- 10.18 Amended and Restated Letter of Credit, Reimbursement and Guaranty Agreement dated as of October 18, 1999 among Spence Engineering Company, Inc. as Borrower, CIRCOR International, Inc., as Guarantor, and First Union National Bank as Letter of Credit Provider is herein incorporated by reference to Exhibit 10.18 to the Company's Current Report on Form 8-K, File No. 001-14962, filed with the Securities and Exchange Commission on October 21, 1999.
- 10.19 Credit Agreement, dated as of October 18, 1999, by and among CIRCOR International, Inc., a Delaware corporation, as Borrower, each of the Subsidiary Guarantors named therein, the Lenders from time to time a party thereto, ING (U.S.) Capital LLC, as Agent for such Lenders, BankBoston, N.A., as Syndication Agent, First Union National Bank, as Documentation Agent and ING Barings LLC, as Arranger for the Lenders is

herein incorporated by reference to Exhibit 10.19 to the Company's Current Report on Form 8-K, File No. 001-14962, filed with the Securities and Exchange Commission on October 21, 1999.

- 10.20 Note Purchase Agreement, dated as of October 19, 1999, among CIRCOR International, Inc., a Delaware corporation, the Subsidiary Guarantors and each of the Purchasers listed on Schedule A attached thereto is herein incorporated by reference to Exhibit 10.20 to the Company's Current Report on Form 8-K, File No. 001-14962, filed with the Securities and Exchange Commission on October 21, 1999.
- 10.21 Sharing agreement regarding the rights of debt holders relative to one another in the event of insolvency is herein incorporated by reference to Exhibit 10.21 on Form 10 Q/A File No. 1-14962 filed with the Securities and Exchange Commission on August 14, 2000.
- 11 Computation of Earnings per Share (1).
- 21 Subsidiaries of Registrant: A list of Subsidiaries of the Company is incorporated herein by reference to Exhibit 21.1 to Amendment No. 1 to the Company's Form 10.
- * 10.22 Executive Change of Control Agreement between CIRCOR, Inc. and Carmine F. Bosco dated August 8, 2000.
- * 10.23 Executive Change of Control Agreement between CIRCOR, Inc. and Alan R. Carlsen dated August 8, 2000.
- * 10.24 Executive Change of Control Agreement between CIRCOR, Inc. and Kenneth W. Smith dated August 8, 2000.
- * 27 Financial Data Schedule Filed for the Periods Ended September 30, 2000 and 1999.

(1) Incorporated by reference to the notes to consolidated financial statements, note 6, of this report.

(*) Filed herewith

(b) Reports on Form 8-K

None

SIGNATURES

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 this 14th day of November 2000.

CIRCOR INTERNATIONAL, INC.

/s/ DAVID A. BLOSS, SR.

DAVID A. BLOSS, SR.
CHAIRMAN, CHIEF EXECUTIVE OFFICER
AND PRESIDENT
PRINCIPAL EXECUTIVE OFFICER

/s/ KENNETH W. SMITH

KENNETH W. SMITH
VICE PRESIDENT, CHIEF FINANCIAL OFFICER
AND TREASURER
PRINCIPAL ACCOUNTING OFFICER

This EXECUTIVE CHANGE OF CONTROL AGREEMENT ("Agreement") is made as of the 8th day of August, 2000, between CIRCOR, Inc., a Massachusetts corporation (the "Company"), and Carmine F. Bosco ("Executive").

WHEREAS, the Company presently employs the Executive in which capacity the Executive serves as an officer of the Company and its Parent (as defined below); and

WHEREAS, the Board of Directors of the Parent (the "Board") recognizes the valuable services rendered to the Company, the Parent and their respective affiliates by the Executive; and

WHEREAS, the Board has determined that it is in the best interests of the Company, the Parent and their affiliates to encourage in advance the continued loyalty of the Executive as well as the Executive's continued attention to his assigned duties and objectivity in the event of a threatened or possible change in control of the Parent;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cause" shall mean: (a) conduct by Executive constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (b) criminal or civil conviction of Executive, a plea of nolo contendere by Executive or conduct by Executive that would reasonably be expected to result in material injury to the reputation of the Company if he were retained in his position with the Company, including, without limitation, conviction of a felony involving moral turpitude; (c) continued, willful and deliberate non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than thirty (30) days following written notice of such non-performance from the Chief Executive Officer; or (d) a violation by Executive of the Company's employment policies which has continued following written notice of such violation from the Chief Executive Officer.

"Change in Control" shall mean any of the following:

(a) Any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than the Parent, any of its subsidiaries, any member of the Horne Family Group (as defined herein) or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Parent or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Parent representing twenty-five percent (25%) or more of either (A) the combined voting power of the Parent's then outstanding securities having the right to vote in an election of the Parent's Board ("Voting Securities") or (B) the then outstanding shares of Parent's common stock, par value \$0.01 per share ("Common Stock") (other than as a result of an acquisition of securities directly from the Parent); or

(b) Incumbent Directors (as defined below) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board; or

(c) The stockholders of the Parent shall approve (A) any consolidation or merger of the Parent where the stockholders of the Parent, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate fifty percent (50%) or more of the voting shares of the Parent or other party issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Parent or (C) any plan or proposal for the liquidation or dissolution of the Parent.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred for purposes of the foregoing clause (a) solely as the result of an acquisition of securities by the Parent which, by reducing the number of shares of Common Stock or other Voting Securities outstanding, increases the proportionate number of shares beneficially owned by any person to twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities or Common Stock (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Parent) and immediately thereafter beneficially owns twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock, then a "Change of Control" shall be deemed to have occurred for purposes of the foregoing clause (a).

"Good Reason" shall mean that Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (a) a substantial diminution or other substantive adverse change, not consented to by Executive, in the nature or scope of Executive's responsibilities, authorities, powers, functions or duties; (b) any removal, during the term of this Agreement from Executive of his titles as an officer of the Parent; (c) an involuntary reduction in Executive's Base Salary except for across-the-board reductions similarly affecting all or substantially all management employees; (d) a breach by the Company of any of its other material obligations under this Agreement and the failure of the Company to cure such breach within thirty (30) days after written notice thereof by Executive; or (e) the involuntary relocation of the Company's offices at which Executive is principally employed or the involuntary relocation of the offices of Executive's primary workgroup to a location more than thirty (30) miles from such offices, or the requirement by the Company that Executive be based anywhere other than the Company's offices at such location on an extended basis, except for required travel on the Company's business to an extent substantially consistent with Executive's business travel obligations. "Good Reason Process" shall mean that (i) Executive reasonably determines in good faith that a "Good Reason" event has occurred; (ii) Executive notifies the Company in writing of the occurrence of the Good Reason event; (iii) Executive cooperates in good faith with the Company's efforts, for a period not less than ninety (90) days following such notice, to modify Executive's employment situation in a manner acceptable to Executive and Company; and (iv) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner acceptable to Executive. If the Company cures the Good Reason event in a manner acceptable to Executive during the ninety (90) day period, Good Reason shall be deemed not to have occurred.

"Incumbent Directors" shall mean persons who, as of the Commencement Date, constitute the Board; provided that any person becoming a director of the Parent subsequent to the Commencement Date shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election by a vote of at least a majority of the Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director.

"Parent" shall mean CIRCOR International, Inc., a Delaware corporation as well as its successors by merger or otherwise.

"Horne Family Group" shall mean Timothy P. Horne and the George B. Horne Voting Trust.

2. Term. The term of this Agreement shall extend from the date hereof (the "Commencement Date") until the first anniversary of the Commencement Date; provided, however, that the term of this Agreement shall automatically be extended for one additional year on the first anniversary of the Commencement Date and each anniversary thereafter unless, not less than 90 days prior to each such date, either party shall have given notice to the other that it does not wish to extend this Agreement; provided, further, that if a Change in Control occurs during the original or extended term of this Agreement, the term of this Agreement shall continue in effect for a period of not less than twelve (12) months beyond the month in which the Change in Control occurred.

3. Change in Control Payment. The provisions of this Paragraph 3 set forth certain terms of an agreement reached between Executive and the Company regarding Executive's rights and obligations upon the occurrence of a Change in Control of the Parent. These provisions are intended to assure and encourage in advance Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall terminate and be of no further force or effect beginning twelve (12) months after the occurrence of a Change of Control.

(a) Change in Control.

(i) If within twelve (12) months after the occurrence of the first event constituting a Change in Control, Executive's employment is terminated by the Company without Cause as defined in Section 1 or Executive terminates his employment for Good Reason as provided in Section 1, then the Company shall pay Executive a lump sum in cash in an amount equal to two (2) times the sum of (A) Executive's current Base Salary plus (B) Executive's most recent annual incentive compensation under the Company's Executive Bonus Incentive Plan for the most recent fiscal year, excluding any sign-on bonus, retention bonus or any other special bonus; and

(ii) Notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, upon a Change in Control, all stock options and other stock-based awards granted to Executive by the Parent shall immediately accelerate and become exercisable or non-forfeitable as of the effective date of such Change in Control. In addition, all restricted stock units held by the Executive pursuant to the Management Stock Purchase Plan shall become fully vested upon a Change of Control and the Executive shall be entitled to receive the shares of stock represented by such restricted stock units. Executive shall also be entitled to any other rights and benefits with respect to stock-related awards, to the extent and upon the terms provided in the employee stock option or incentive plan or any agreement or other instrument attendant thereto pursuant to which such options or awards were granted; and

(iii) If the Executive is otherwise eligible for participation in the Company's Supplemental Executive Retirement Plan ("SERP"), the Executive shall be fully vested in his accrued benefit under the SERP as of the Date of Termination; and

(iv) The Company shall, for a period of one (1) year commencing on the Date of Termination, pay such health insurance premiums as may be necessary to allow Executive, Executive's spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the Date of Termination.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that any compensation, payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the following provisions shall apply:

(A) If the Severance Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state and local income and employment taxes payable by Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(B) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the benefits payable under this Agreement shall be reduced (but not below zero) to the extent necessary so that the maximum Severance Payments shall not exceed the Threshold Amount. To the extent that there is more than one method of reducing the payments to bring them within the Threshold Amount, Executive shall determine which method shall be followed; provided that if Executive fails to make such determination within 45 days after the Company has sent Executive written notice of the need for such reduction, the Company may determine the amount of such reduction in its sole discretion.

For the purposes of this Paragraph 3, "Threshold Amount" shall mean three times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(ii) The determination as to which of the alternative provisions of Paragraph 3(b)(i) shall apply to Executive shall be made by KPMG LLP or any other nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Paragraph 3(b)(i) shall apply, Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

4. Unauthorized Disclosure. Executive acknowledges that in the course of his employment with the Company (and, if applicable, its predecessors), he has been allowed to become, and will continue to be allowed to become, acquainted with the Company's and the Parent's business affairs, information, trade secrets, and other matters which are of a proprietary or confidential nature, including but not limited to the Company's, the Parent's and their affiliates' and predecessors' operations, business opportunities, price and cost information, finance, customer information, business plans, various sales techniques, manuals, letters, notebooks, procedures, reports, products, processes, services, and other confidential information and knowledge (collectively the "Confidential Information") concerning the Company's, the Parent's and their affiliates' and predecessors' business. The Company agrees to provide on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid Executive in the performance of his duties. Executive understands and acknowledges that such Confidential Information is confidential, and he agrees not to disclose such Confidential Information to anyone outside the Company or the Parent except to the extent that (i) Executive deems such disclosure or use reasonably necessary or appropriate in connection with performing his duties on behalf of the Company and the Parent, (ii) Executive is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, Executive shall promptly inform the Company or the Parent, as appropriate, of such event, shall cooperate with the Company or the Parent, as appropriate, in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order; (iii) such Confidential Information becomes generally known to and available for use in the Company's industry (the "Fluid-Control Industry"), other than as a result of any action or inaction by Executive; or (iv) such information has been rightfully received by a member of the Fluid-Control Industry or has been published in a form generally available to the Fluid-Control Industry prior to the date Executive proposes to disclose or use such information. Executive further agrees that he will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company or the Parent. At such time as Executive shall cease to be employed by the Company, he will immediately turn over to the Company or the Parent, as appropriate, all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of them provided to or created by him during the course of his employment with the Company. The provisions of this Paragraph 4 shall survive termination of this Agreement for any reason.

5. Covenant Not to Compete. In consideration of the benefits afforded the Executive under the terms provided in this Agreement and as a means to aid in the performance and enforcement of the terms of the provisions of Paragraph 4, Executive agrees that

(a) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is engaged in a business that is competitive with any of the Company's or the Parent's products which are produced by the Company or the Parent or any affiliate of either entity as of the date of Executive's termination of employment with the Company, in any area or territory in which the Company or the Parent or any affiliate of either entity conducts operations; provided, however, that the foregoing shall not prohibit Executive from owning up to one percent (1%) of the outstanding stock of a publicly held company engaged in the Fluid-Control Industry; and

(b) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not directly or indirectly solicit or induce any present or future employee of the Company or the Parent or any affiliate of either entity to accept employment with Executive or with any business, operation, corporation, partnership, association, agency, or other person or entity with which Executive may be associated, and Executive will not employ or cause any business, operation, corporation,

partnership, association, agency, or other person or entity with which Executive may be associated to employ any present or future employee of the Company or the Parent without providing the Company or the Parent, as appropriate, with ten (10) days' prior written notice of such proposed employment.

Should Executive violate any of the provisions of this Paragraph, then in addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which Executive began such violation until he permanently ceases such violation.

6. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

if to the Executive:

At his home address as shown
in the Company's personnel records;

if to the Company:

CIRCOR, Inc.
35 Corporate Drive
Burlington, MA 01803
Attention: Board of Directors of CIRCOR International, Inc.

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

7. Not an Employment Contract. This Agreement is intended only to provide those benefits for the Executive as set forth in Paragraph 3 in connection with a Change of Control. As such, this Agreement is not intended to and does not in any way constitute an employment agreement or other contract which would cause the employee to be considered anything other than an employee at will or to in any way be entitled to any specific payments or benefits from the Company in the event of a termination of employment not subject to Paragraph 3 of this Agreement.

8. Miscellaneous. No provisions of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, unless specifically referred to herein, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts (without regard to principles of conflicts of laws).

9. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. The invalid portion of this Agreement, if any, shall be modified by any court having jurisdiction to the extent necessary to render such portion enforceable.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. Arbitration; Other Disputes. In the event of any dispute or controversy arising under or in connection with this Agreement, the parties shall first promptly try in good faith to settle such dispute or controversy by mediation under the applicable rules of the American Arbitration Association before resorting to arbitration. In the event such dispute or controversy remains unresolved in whole or in part for a period of thirty (30) days after it arises, the parties will settle any remaining dispute or controversy exclusively by arbitration in Boston, Massachusetts, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having

jurisdiction. Notwithstanding the above, the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of Paragraph 4 or 5 hereof.

12. Litigation and Regulatory Cooperation. During and after Executive's employment, Executive shall reasonably cooperate with the Company and the Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company and/or the Parent which relate to events or occurrences that transpired while Executive was employed by the Company; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company and/or the Parent at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company and the Parent in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall also provide Executive with compensation on an hourly basis (to be derived from the sum of his Base Compensation and Average Incentive Compensation) for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse Executive for all costs and expenses incurred in connection with his performance under this Paragraph 12, including, but not limited to, reasonable attorneys' fees and costs.

13. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

CIRCOR, INC.

/s/ DAVID A. BLOSS, SR.

DAVID A. BLOSS, SR.
PRESIDENT

/s/ CARMINE F. BOSCO

CARMINE F. BOSCO
EXECUTIVE

This EXECUTIVE CHANGE OF CONTROL AGREEMENT ("Agreement") is made as of the 8th day of August, 2000, between CIRCOR, Inc., a Massachusetts corporation (the "Company"), and Alan R. Carlson ("Executive").

WHEREAS, the Company presently employs the Executive in which capacity the Executive serves as an officer of the Company and its Parent (as defined below); and

WHEREAS, the Board of Directors of the Parent (the "Board") recognizes the valuable services rendered to the Company, the Parent and their respective affiliates by the Executive; and

WHEREAS, the Board has determined that it is in the best interests of the Company, the Parent and their affiliates to encourage in advance the continued loyalty of the Executive as well as the Executive's continued attention to his assigned duties and objectivity in the event of a threatened or possible change in control of the Parent;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

2. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cause" shall mean: (a) conduct by Executive constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (b) criminal or civil conviction of Executive, a plea of nolo contendere by Executive or conduct by Executive that would reasonably be expected to result in material injury to the reputation of the Company if he were retained in his position with the Company, including, without limitation, conviction of a felony involving moral turpitude; (c) continued, willful and deliberate non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than thirty (30) days following written notice of such non-performance from the Chief Executive Officer; or (d) a violation by Executive of the Company's employment policies which has continued following written notice of such violation from the Chief Executive Officer.

"Change in Control" shall mean any of the following:

(a) Any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than the Parent, any of its subsidiaries, any member of the Horne Family Group (as defined herein) or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Parent or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Parent representing twenty-five percent (25%) or more of either (A) the combined voting power of the Parent's then outstanding securities having the right to vote in an election of the Parent's Board ("Voting Securities") or (B) the then outstanding shares of Parent's common stock, par value \$0.01 per share ("Common Stock") (other than as a result of an acquisition of securities directly from the Parent); or

(b) Incumbent Directors (as defined below) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board; or

(c) The stockholders of the Parent shall approve (A) any consolidation or merger of the Parent where the stockholders of the Parent, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate fifty percent (50%) or more of the voting shares of the Parent or other party issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Parent or (C) any plan or proposal for the liquidation or dissolution of the Parent.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred for purposes of the foregoing clause (a) solely as the result of an acquisition of securities by the Parent which, by reducing the number of shares of Common Stock or other Voting Securities outstanding, increases the proportionate number of shares beneficially owned by any person to twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities or Common Stock (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Parent) and immediately thereafter beneficially owns twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock, then a "Change of Control" shall be deemed to have occurred for purposes of the foregoing clause (a).

"Good Reason" shall mean that Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (a) a substantial diminution or other substantive adverse change, not consented to by Executive, in the nature or scope of Executive's responsibilities, authorities, powers, functions or duties; (b) any removal, during the term of this Agreement from Executive of his titles as an officer of the Parent; (c) an involuntary reduction in Executive's Base Salary except for across-the-board reductions similarly affecting all or substantially all management employees; (d) a breach by the Company of any of its other material obligations under this Agreement and the failure of the Company to cure such breach within thirty (30) days after written notice thereof by Executive; or (e) the involuntary relocation of the Company's offices at which Executive is principally employed or the involuntary relocation of the offices of Executive's primary workgroup to a location more than thirty (30) miles from such offices, or the requirement by the Company that Executive be based anywhere other than the Company's offices at such location on an extended basis, except for required travel on the Company's business to an extent substantially consistent with Executive's business travel obligations. "Good Reason Process" shall mean that (i) Executive reasonably determines in good faith that a "Good Reason" event has occurred; (ii) Executive notifies the Company in writing of the occurrence of the Good Reason event; (iii) Executive cooperates in good faith with the Company's efforts, for a period not less than ninety (90) days following such notice, to modify Executive's employment situation in a manner acceptable to Executive and Company; and (iv) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner acceptable to Executive. If the Company cures the Good Reason event in a manner acceptable to Executive during the ninety (90) day period, Good Reason shall be deemed not to have occurred.

"Incumbent Directors" shall mean persons who, as of the Commencement Date, constitute the Board; provided that any person becoming a director of the Parent subsequent to the Commencement Date shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election by a vote of at least a majority of the Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director.

"Parent" shall mean CIRCOR International, Inc., a Delaware corporation as well as its successors by merger or otherwise.

"Horne Family Group" shall mean Timothy P. Horne and the George B. Horne Voting Trust.

2. Term. The term of this Agreement shall extend from the date hereof (the "Commencement Date") until the first anniversary of the Commencement Date; provided, however, that the term of this Agreement shall automatically be extended for one additional year on the first anniversary of the Commencement Date and each anniversary thereafter unless, not less than 90 days prior to each such date, either party shall have given notice to the other that it does not wish to extend this Agreement; provided, further, that if a Change in Control occurs during the original or extended term of this Agreement, the term of this Agreement shall continue in effect for a period of not less than twelve (12) months beyond the month in which the Change in Control occurred.

3. Change in Control Payment. The provisions of this Paragraph 3 set forth certain terms of an agreement reached between Executive and the Company regarding Executive's rights and obligations upon the occurrence of a Change in Control of the Parent. These provisions are intended to assure and encourage in advance Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall terminate and be of no further force or effect beginning twelve (12) months after the occurrence of a Change of Control.

(a) Change in Control.

(i) If within twelve (12) months after the occurrence of the first event constituting a Change in Control, Executive's employment is terminated by the Company without Cause as defined in Section 1 or Executive terminates his employment for Good Reason as provided in Section 1, then the Company shall pay Executive a lump sum in cash in an amount equal to two (2) times the sum of (A) Executive's current Base Salary plus (B) Executive's most recent annual incentive compensation under the Company's Executive Bonus Incentive Plan for the most recent fiscal year, excluding any sign-on bonus, retention bonus or any other special bonus; and

(ii) Notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, upon a Change in Control, all stock options and other stock-based awards granted to Executive by the Parent shall immediately accelerate and become exercisable or non-forfeitable as of the effective date of such Change in Control. In addition, all restricted stock units held by the Executive pursuant to the Management Stock Purchase Plan shall become fully vested upon a Change of Control and the Executive shall be entitled to receive the shares of stock represented by such restricted stock units. Executive shall also be entitled to any other rights and benefits with respect to stock-related awards, to the extent and upon the terms provided in the employee stock option or incentive plan or any agreement or other instrument attendant thereto pursuant to which such options or awards were granted; and

(iii) If the Executive is otherwise eligible for participation in the Company's Supplemental Executive Retirement Plan ("SERP"), the Executive shall be fully vested in his accrued benefit under the SERP as of the Date of Termination; and

(iv) The Company shall, for a period of one (1) year commencing on the Date of Termination, pay such health insurance premiums as may be necessary to allow Executive, Executive's spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the Date of Termination.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that any compensation, payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the following provisions shall apply:

(C) If the Severance Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state and local income and employment taxes payable by Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(D) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the benefits payable under this Agreement shall be reduced (but not below zero) to the extent necessary so that the maximum Severance Payments shall not exceed the Threshold Amount. To the extent that there is more than one method of reducing the payments to bring them within the Threshold Amount, Executive shall determine which method shall be followed; provided that if Executive fails to make such determination within 45 days after the Company has sent Executive written notice of the need for such reduction, the Company may determine the amount of such reduction in its sole discretion.

For the purposes of this Paragraph 3, "Threshold Amount" shall mean three times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(ii) The determination as to which of the alternative provisions of Paragraph 3(b)(i) shall apply to Executive shall be made by KPMG LLP or any other nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Paragraph 3(b)(i) shall apply, Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

4. Unauthorized Disclosure. Executive acknowledges that in the course of his employment with the Company (and, if applicable, its predecessors), he has been allowed to become, and will continue to be allowed to become, acquainted with the Company's and the Parent's business affairs, information, trade secrets, and other matters which are of a proprietary or confidential nature, including but not limited to the Company's, the Parent's and their affiliates' and predecessors' operations, business opportunities, price and cost information, finance, customer information, business plans, various sales techniques, manuals, letters, notebooks, procedures, reports, products, processes, services, and other confidential information and knowledge (collectively the "Confidential Information") concerning the Company's, the Parent's and their affiliates' and predecessors' business. The Company agrees to provide on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid Executive in the performance of his duties. Executive understands and acknowledges that such Confidential Information is confidential, and he agrees not to disclose such Confidential Information to anyone outside the Company or the Parent except to the extent that (i) Executive deems such disclosure or use reasonably necessary or appropriate in connection with performing his duties on behalf of the Company and the Parent, (ii) Executive is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, Executive shall promptly inform the Company or the Parent, as appropriate, of such event, shall cooperate with the Company or the Parent, as appropriate, in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order; (iii) such Confidential Information becomes generally known to and available for use in the Company's industry (the "Fluid-Control Industry"), other than as a result of any action or inaction by Executive; or (iv) such information has been rightfully received by a member of the Fluid-Control Industry or has been published in a form generally available to the Fluid-Control Industry prior to the date Executive proposes to disclose or use such information. Executive further agrees that he will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company or the Parent. At such time as Executive shall cease to be employed by the Company, he will immediately turn over to the Company or the Parent, as appropriate, all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of them provided to or created by him during the course of his employment with the Company. The provisions of this Paragraph 4 shall survive termination of this Agreement for any reason.

5. Covenant Not to Compete. In consideration of the benefits afforded the Executive under the terms provided in this Agreement and as a means to aid in the performance and enforcement of the terms of the provisions of Paragraph 4, Executive agrees that

(a) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is engaged in a business that is competitive with any of the Company's or the Parent's products which are produced by the Company or the Parent or any affiliate of either entity as of the date of Executive's termination of employment with the Company, in any area or territory in which the Company or the Parent or any affiliate of either entity conducts operations; provided, however, that the foregoing shall not prohibit Executive from owning up to one percent (1%) of the outstanding stock of a publicly held company engaged in the Fluid-Control Industry; and

(b) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not directly or indirectly solicit or induce any present or future employee of the Company or the Parent or any affiliate of either entity to accept employment with Executive or with any business, operation, corporation, partnership, association, agency, or other person or entity with which Executive may be associated, and Executive will not employ or cause any business, operation, corporation,

partnership, association, agency, or other person or entity with which Executive may be associated to employ any present or future employee of the Company or the Parent without providing the Company or the Parent, as appropriate, with ten (10) days' prior written notice of such proposed employment.

Should Executive violate any of the provisions of this Paragraph, then in addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which Executive began such violation until he permanently ceases such violation.

6. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

if to the Executive:

At his home address as shown
in the Company's personnel records;

if to the Company:

CIRCOR, Inc.
35 Corporate Drive
Burlington, MA 01803
Attention: Board of Directors of CIRCOR International, Inc.

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

7. Not an Employment Contract. This Agreement is intended only to provide those benefits for the Executive as set forth in Paragraph 3 in connection with a Change of Control. As such, this Agreement is not intended to and does not in any way constitute an employment agreement or other contract which would cause the employee to be considered anything other than an employee at will or to in any way be entitled to any specific payments or benefits from the Company in the event of a termination of employment not subject to Paragraph 3 of this Agreement.

8. Miscellaneous. No provisions of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, unless specifically referred to herein, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts (without regard to principles of conflicts of laws).

9. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. The invalid portion of this Agreement, if any, shall be modified by any court having jurisdiction to the extent necessary to render such portion enforceable.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. Arbitration; Other Disputes. In the event of any dispute or controversy arising under or in connection with this Agreement, the parties shall first promptly try in good faith to settle such dispute or controversy by mediation under the applicable rules of the American Arbitration Association before resorting to arbitration. In the event such dispute or controversy remains unresolved in whole or in part for a period of thirty (30) days after it arises, the parties will settle any remaining dispute or controversy exclusively by arbitration in Boston, Massachusetts, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having

jurisdiction. Notwithstanding the above, the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of Paragraph 4 or 5 hereof.

12. Litigation and Regulatory Cooperation. During and after Executive's employment, Executive shall reasonably cooperate with the Company and the Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company and/or the Parent which relate to events or occurrences that transpired while Executive was employed by the Company; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company and/or the Parent at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company and the Parent in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall also provide Executive with compensation on an hourly basis (to be derived from the sum of his Base Compensation and Average Incentive Compensation) for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse Executive for all costs and expenses incurred in connection with his performance under this Paragraph 12, including, but not limited to, reasonable attorneys' fees and costs.

13. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

CIRCOR, INC.

/s/ DAVID A. BLOSS, SR.

DAVID A. BLOSS, SR.
PRESIDENT

/s/ ALAN R. CARLSEN

ALAN R. CARLSEN
EXECUTIVE

This EXECUTIVE CHANGE OF CONTROL AGREEMENT ("Agreement") is made as of the 8th day of August, 2000, between CIRCOR, Inc., a Massachusetts corporation (the "Company"), and Kenneth W. Smith ("Executive").

WHEREAS, the Company presently employs the Executive in which capacity the Executive serves as an officer of the Company and its Parent (as defined below); and

WHEREAS, the Board of Directors of the Parent (the "Board") recognizes the valuable services rendered to the Company, the Parent and their respective affiliates by the Executive; and

WHEREAS, the Board has determined that it is in the best interests of the Company, the Parent and their affiliates to encourage in advance the continued loyalty of the Executive as well as the Executive's continued attention to his assigned duties and objectivity in the event of a threatened or possible change in control of the Parent;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

3. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Cause" shall mean: (a) conduct by Executive constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (b) criminal or civil conviction of Executive, a plea of nolo contendere by Executive or conduct by Executive that would reasonably be expected to result in material injury to the reputation of the Company if he were retained in his position with the Company, including, without limitation, conviction of a felony involving moral turpitude; (c) continued, willful and deliberate non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability) which has continued for more than thirty (30) days following written notice of such non-performance from the Chief Executive Officer; or (d) a violation by Executive of the Company's employment policies which has continued following written notice of such violation from the Chief Executive Officer.

"Change in Control" shall mean any of the following:

(a) Any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than the Parent, any of its subsidiaries, any member of the Horne Family Group (as defined herein) or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Parent or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Parent representing twenty-five percent (25%) or more of either (A) the combined voting power of the Parent's then outstanding securities having the right to vote in an election of the Parent's Board ("Voting Securities") or (B) the then outstanding shares of Parent's common stock, par value \$0.01 per share ("Common Stock") (other than as a result of an acquisition of securities directly from the Parent); or

(b) Incumbent Directors (as defined below) cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board; or

(c) The stockholders of the Parent shall approve (A) any consolidation or merger of the Parent where the stockholders of the Parent, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate fifty percent (50%) or more of the voting shares of the Parent or other party issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Parent or (C) any plan or proposal for the liquidation or dissolution of the Parent.

Notwithstanding the foregoing, a "Change of Control" shall not be deemed to have occurred for purposes of the foregoing clause (a) solely as the result of an acquisition of securities by the Parent which, by reducing the number of shares of Common Stock or other Voting Securities outstanding, increases the proportionate number of shares beneficially owned by any person to twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities or Common Stock (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Parent) and immediately thereafter beneficially owns twenty-five percent (25%) or more of either (A) the combined voting power of all of the then outstanding Voting Securities or (B) Common Stock, then a "Change of Control" shall be deemed to have occurred for purposes of the foregoing clause (a).

"Good Reason" shall mean that Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (a) a substantial diminution or other substantive adverse change, not consented to by Executive, in the nature or scope of Executive's responsibilities, authorities, powers, functions or duties; (b) any removal, during the term of this Agreement from Executive of his titles as an officer of the Parent; (c) an involuntary reduction in Executive's Base Salary except for across-the-board reductions similarly affecting all or substantially all management employees; (d) a breach by the Company of any of its other material obligations under this Agreement and the failure of the Company to cure such breach within thirty (30) days after written notice thereof by Executive; or (e) the involuntary relocation of the Company's offices at which Executive is principally employed or the involuntary relocation of the offices of Executive's primary workgroup to a location more than thirty (30) miles from such offices, or the requirement by the Company that Executive be based anywhere other than the Company's offices at such location on an extended basis, except for required travel on the Company's business to an extent substantially consistent with Executive's business travel obligations. "Good Reason Process" shall mean that (i) Executive reasonably determines in good faith that a "Good Reason" event has occurred; (ii) Executive notifies the Company in writing of the occurrence of the Good Reason event; (iii) Executive cooperates in good faith with the Company's efforts, for a period not less than ninety (90) days following such notice, to modify Executive's employment situation in a manner acceptable to Executive and Company; and (iv) notwithstanding such efforts, one or more of the Good Reason events continues to exist and has not been modified in a manner acceptable to Executive. If the Company cures the Good Reason event in a manner acceptable to Executive during the ninety (90) day period, Good Reason shall be deemed not to have occurred.

"Incumbent Directors" shall mean persons who, as of the Commencement Date, constitute the Board; provided that any person becoming a director of the Parent subsequent to the Commencement Date shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election by a vote of at least a majority of the Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director.

"Parent" shall mean CIRCOR International, Inc., a Delaware corporation as well as its successors by merger or otherwise.

"Horne Family Group" shall mean Timothy P. Horne and the George B. Horne Voting Trust.

2. Term. The term of this Agreement shall extend from the date hereof (the "Commencement Date") until the first anniversary of the Commencement Date; provided, however, that the term of this Agreement shall automatically be extended for one additional year on the first anniversary of the Commencement Date and each anniversary thereafter unless, not less than 90 days prior to each such date, either party shall have given notice to the other that it does not wish to extend this Agreement; provided, further, that if a Change in Control occurs during the original or extended term of this Agreement, the term of this Agreement shall continue in effect for a period of not less than twelve (12) months beyond the month in which the Change in Control occurred.

3. Change in Control Payment. The provisions of this Paragraph 3 set forth certain terms of an agreement reached between Executive and the Company regarding Executive's rights and obligations upon the occurrence of a Change in Control of the Parent. These provisions are intended to assure and encourage in advance Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall terminate and be of no further force or effect beginning twelve (12) months after the occurrence of a Change of Control.

(a) Change in Control.

(i) If within twelve (12) months after the occurrence of the first event constituting a Change in Control, Executive's employment is terminated by the Company without Cause as defined in Section 1 or Executive terminates his employment for Good Reason as provided in Section 1, then the Company shall pay Executive a lump sum in cash in an amount equal to two (2) times the sum of (A) Executive's current Base Salary plus (B) Executive's most recent annual incentive compensation under the Company's Executive Bonus Incentive Plan for the most recent fiscal year, excluding any sign-on bonus, retention bonus or any other special bonus; and

(ii) Notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, upon a Change in Control, all stock options and other stock-based awards granted to Executive by the Parent shall immediately accelerate and become exercisable or non-forfeitable as of the effective date of such Change in Control. In addition, all restricted stock units held by the Executive pursuant to the Management Stock Purchase Plan shall become fully vested upon a Change of Control and the Executive shall be entitled to receive the shares of stock represented by such restricted stock units. Executive shall also be entitled to any other rights and benefits with respect to stock-related awards, to the extent and upon the terms provided in the employee stock option or incentive plan or any agreement or other instrument attendant thereto pursuant to which such options or awards were granted; and

(iii) If the Executive is otherwise eligible for participation in the Company's Supplemental Executive Retirement Plan ("SERP"), the Executive shall be fully vested in his accrued benefit under the SERP as of the Date of Termination; and

(iv) The Company shall, for a period of one (1) year commencing on the Date of Termination, pay such health insurance premiums as may be necessary to allow Executive, Executive's spouse and dependents to continue to receive health insurance coverage substantially similar to the coverage they received prior to the Date of Termination.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that any compensation, payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the following provisions shall apply:

(E) If the Severance Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state and local income and employment taxes payable by Executive on the amount of the Severance Payments which are in excess of the Threshold Amount, are greater than or equal to the Threshold Amount, Executive shall be entitled to the full benefits payable under this Agreement.

(F) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the benefits payable under this Agreement shall be reduced (but not below zero) to the extent necessary so that the maximum Severance Payments shall not exceed the Threshold Amount. To the extent that there is more than one method of reducing the payments to bring them within the Threshold Amount, Executive shall determine which method shall be followed; provided that if Executive fails to make such determination within 45 days after the Company has sent Executive written notice of the need for such reduction, the Company may determine the amount of such reduction in its sole discretion.

For the purposes of this Paragraph 3, "Threshold Amount" shall mean three times Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(ii) The determination as to which of the alternative provisions of Paragraph 3(b)(i) shall apply to Executive shall be made by KPMG LLP or any other nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Paragraph 3(b)(i) shall apply, Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

4. Unauthorized Disclosure. Executive acknowledges that in the course of his employment with the Company (and, if applicable, its predecessors), he has been allowed to become, and will continue to be allowed to become, acquainted with the Company's and the Parent's business affairs, information, trade secrets, and other matters which are of a proprietary or confidential nature, including but not limited to the Company's, the Parent's and their affiliates' and predecessors' operations, business opportunities, price and cost information, finance, customer information, business plans, various sales techniques, manuals, letters, notebooks, procedures, reports, products, processes, services, and other confidential information and knowledge (collectively the "Confidential Information") concerning the Company's, the Parent's and their affiliates' and predecessors' business. The Company agrees to provide on an ongoing basis such Confidential Information as the Company deems necessary or desirable to aid Executive in the performance of his duties. Executive understands and acknowledges that such Confidential Information is confidential, and he agrees not to disclose such Confidential Information to anyone outside the Company or the Parent except to the extent that (i) Executive deems such disclosure or use reasonably necessary or appropriate in connection with performing his duties on behalf of the Company and the Parent, (ii) Executive is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, Executive shall promptly inform the Company or the Parent, as appropriate, of such event, shall cooperate with the Company or the Parent, as appropriate, in attempting to obtain a protective order or to otherwise restrict such disclosure, and shall only disclose Confidential Information to the minimum extent necessary to comply with any such court order; (iii) such Confidential Information becomes generally known to and available for use in the Company's industry (the "Fluid-Control Industry"), other than as a result of any action or inaction by Executive; or (iv) such information has been rightfully received by a member of the Fluid-Control Industry or has been published in a form generally available to the Fluid-Control Industry prior to the date Executive proposes to disclose or use such information. Executive further agrees that he will not during employment and/or at any time thereafter use such Confidential Information in competing, directly or indirectly, with the Company or the Parent. At such time as Executive shall cease to be employed by the Company, he will immediately turn over to the Company or the Parent, as appropriate, all Confidential Information, including papers, documents, writings, electronically stored information, other property, and all copies of them provided to or created by him during the course of his employment with the Company. The provisions of this Paragraph 4 shall survive termination of this Agreement for any reason.

5. Covenant Not to Compete. In consideration of the benefits afforded the Executive under the terms provided in this Agreement and as a means to aid in the performance and enforcement of the terms of the provisions of Paragraph 4, Executive agrees that

(a) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not, directly or indirectly, as an owner, director, principal, agent, officer, employee, partner, consultant, servant, or otherwise, carry on, operate, manage, control, or become involved in any manner with any business, operation, corporation, partnership, association, agency, or other person or entity which is engaged in a business that is competitive with any of the Company's or the Parent's products which are produced by the Company or the Parent or any affiliate of either entity as of the date of Executive's termination of employment with the Company, in any area or territory in which the Company or the Parent or any affiliate of either entity conducts operations; provided, however, that the foregoing shall not prohibit Executive from owning up to one percent (1%) of the outstanding stock of a publicly held company engaged in the Fluid-Control Industry; and

(b) during the term of Executive's employment with the Company and for a period of twelve (12) months thereafter, regardless of the reason for termination of employment, Executive will not directly or indirectly solicit or induce any present or future employee of the Company or the Parent or any affiliate of either entity to accept employment with Executive or with any business, operation, corporation, partnership, association, agency, or other person or entity with which Executive may be associated, and Executive will not employ or cause any business, operation, corporation,

partnership, association, agency, or other person or entity with which Executive may be associated to employ any present or future employee of the Company or the Parent without providing the Company or the Parent, as appropriate, with ten (10) days' prior written notice of such proposed employment.

Should Executive violate any of the provisions of this Paragraph, then in addition to all other rights and remedies available to the Company at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which Executive began such violation until he permanently ceases such violation.

6. Notice. For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

if to the Executive:

At his home address as shown
in the Company's personnel records;

if to the Company:

CIRCOR, Inc.
35 Corporate Drive
Burlington, MA 01803
Attention: Board of Directors of CIRCOR International, Inc.

or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

7. Not an Employment Contract. This Agreement is intended only to provide those benefits for the Executive as set forth in Paragraph 3 in connection with a Change of Control. As such, this Agreement is not intended to and does not in any way constitute an employment agreement or other contract which would cause the employee to be considered anything other than an employee at will or to in any way be entitled to any specific payments or benefits from the Company in the event of a termination of employment not subject to Paragraph 3 of this Agreement.

8. Miscellaneous. No provisions of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, unless specifically referred to herein, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts (without regard to principles of conflicts of laws).

9. Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. The invalid portion of this Agreement, if any, shall be modified by any court having jurisdiction to the extent necessary to render such portion enforceable.

10. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

11. Arbitration; Other Disputes. In the event of any dispute or controversy arising under or in connection with this Agreement, the parties shall first promptly try in good faith to settle such dispute or controversy by mediation under the applicable rules of the American Arbitration Association before resorting to arbitration. In the event such dispute or controversy remains unresolved in whole or in part for a period of thirty (30) days after it arises, the parties will settle any remaining dispute or controversy exclusively by arbitration in Boston, Massachusetts, in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any court having

jurisdiction. Notwithstanding the above, the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of Paragraph 4 or 5 hereof.

12. Litigation and Regulatory Cooperation. During and after Executive's employment, Executive shall reasonably cooperate with the Company and the Parent in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company and/or the Parent which relate to events or occurrences that transpired while Executive was employed by the Company; provided, however, that such cooperation shall not materially and adversely affect Executive or expose Executive to an increased probability of civil or criminal litigation. Executive's cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company and/or the Parent at mutually convenient times. During and after Executive's employment, Executive also shall cooperate fully with the Company and the Parent in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while Executive was employed by the Company. The Company shall also provide Executive with compensation on an hourly basis (to be derived from the sum of his Base Compensation and Average Incentive Compensation) for requested litigation and regulatory cooperation that occurs after his termination of employment, and reimburse Executive for all costs and expenses incurred in connection with his performance under this Paragraph 12, including, but not limited to, reasonable attorneys' fees and costs.

13. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

CIRCOR, INC.

/s/ DAVID A. BLOSS, SR.

DAVID A. BLOSS, SR.
PRESIDENT

/s/ KENNETH W. SMITH

KENNETH W. SMITH
EXECUTIVE

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM SEPTEMBER 30, 2000 FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS	9-MOS	9-MOS	9-MOS
DEC-31-2000	DEC-31-2000	DEC-31-1999	DEC-31-1999
JAN-01-2000	JAN-01-2000	JAN-01-1999	JAN-01-1999
SEP-30-2000	SEP-30-2000	SEP-30-1999	SEP-30-1999
	7,665		4,311
	0	1,097	
55,000		55,497	
2,753		2,756	
107,513		109,332	
184,377		187,283	
	148,292		147,222
79,267		69,837	
350,854		365,618	
43,822		51,709	
	102,104		21,847
0		0	
	0		0
	132		0
	0		0
350,854		365,618	
	236,899		234,704
236,899		234,704	
	162,608		158,510
215,586		215,322	
383		144	
473		197	
7,520		6,671	
13,388		12,272	
5,489		4,914	
7,899		7,358	
0		0	
0		0	
	0		0
7,899		7,358	
\$.60		\$.50	
\$.59		\$.50	

INCLUDES LONG-TERM DEBT AND CURRENT PORTION
INCLUDES ONLY COST OF GOODS SOLD AND OPERATING EXPENSES.
NET INCOME IS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 1999. COMMON STOCK
WAS NOT ISSUED UNTIL OCTOBER 18, 1999, WHICH COINCIDED WITH THE SPIN-OFF. THE
HISTORICAL CARVE-OUT EARNINGS PER SHARE OF \$0.56 WERE ADJUSTED BY \$0.06 PER
SHARE TO REFLECT THE ESTIMATED ADDITIONAL INTEREST AND GENERAL ADMINISTRATIVE
EXPENSES WHICH WE WOULD HAVE INCURRED AS AN INDEPENDENT PUBLIC COMPANY TO ARRIVE
AT PRO FORMA EARNINGS PER SHARE OF \$0.50.
RECEIVABLES NET OF ALLOWANCES.