

DRIVING DISCIPLINED, PROFITABLE GROWTH.



Mark A. Blinn
President and
Chief Executive Officer



James O. Rollans
Non-Executive Chairman
of the Board



TO OUR SHAREHOLDERS:

As we evaluated themes for this annual report, *Driving Disciplined Profitable Growth* was the clear choice. Not only is it one of our newly refined Key Strategies we announced in 2010, but it is a fundamental business objective that drives many of our decisions.

While 2010 was a year of significant changes and challenges, we delivered positive business results and returns for our shareholders thanks to the commitment of our 15,000 employees in more than 50 countries around the world. It is through their collective dedication that we continue to maintain an industry leadership position as a manufacturer and aftermarket service provider of comprehensive flow control products, systems and solutions.

In December of 2009, we announced plans to integrate our former seal and pump divisions into a single entity to be known as the Flow Solutions Group. We are particularly proud of our integration efforts in 2010, as we position our operating platform for future growth and continue to drive our Customer Intimacy strategy.

Employing our Operational Excellence strategy, we made strides toward completing our announced realignment initiatives and began to drive a cost culture throughout the organization. At the same time, we strengthened our global footprint and local capabilities by substantially increasing our presence in rapidly growing Asian, Middle Eastern and Latin American markets. This effort, also part of our Strategic Localization strategy, includes the completion or ongoing construction of new production facilities in China, India, the Middle East and Brazil.

In July, we acquired Valbart Srl, an Italian manufacturer of trunnion-mounted ball valves. Supporting our Innovation & Portfolio Management strategy, Valbart's products filled a gap in our product portfolio and significantly strengthened our ability to provide a more complete valve package to oil and gas projects.

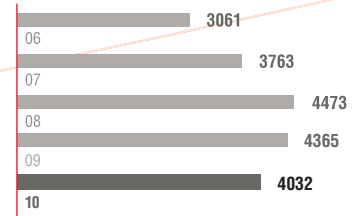
Customer and operating successes were numerous, diverse and global in 2010. Some highlights include: multiple orders from China Nuclear Power Engineering Company for main steam isolation and other valves; a licensing agreement with Zvezdochka Ship Repair Center in Russia to provide the proprietary know-how for the purchasing and production of thrusters used in ship propulsion systems; the signing of a sole source, preferred supplier agreement with Shell used in control valves and related instrumentation; plug valves and Calder energy recovery device orders for desalination projects in Israel and Australia; N and NPT nuclear approvals for our valve manufacturing facility in Springville, Utah; significant oil and gas pump orders from around the world including the Caspian Pipeline Consortium, the Abu Dhabi Company for Onshore Oil Operations for the Bida Al Qemzan field development project, and the LUKOIL Neftochim Burgas refinery in Bulgaria.

Supporting the continued strength and flexibility of our capital structure, we announced in December the completion of a new \$1 billion, five-year credit facility. It includes a \$500 million term loan and a \$500 million revolver that the company can increase, subject to certain conditions, by up to \$200 million. The facility, together with our cash position of \$558 million at year end, provides an excellent financial base for our future.

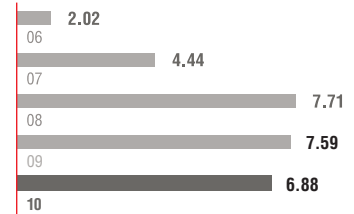
Overall, we are pleased with our 2010 results and we remain excited about the future prospects for the company. In 2011, we will remain focused on executing our Operational Excellence and other strategies, ensuring that our customers receive quality products and services, on-time deliveries and competitive pricing. We are confident that we have positioned the business to drive disciplined profitable growth as we leverage our optimized operating platform, proven product offerings, balance sheet strength and — most importantly — the proven capabilities and dedication of Flowserve employees.

FINANCIAL HIGHLIGHTS

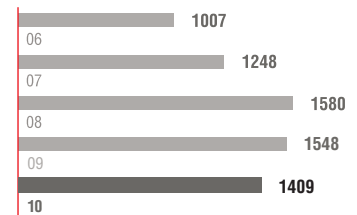
SALES *in Millions*



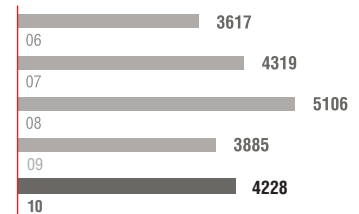
EARNINGS PER SHARE* *in US Dollars*



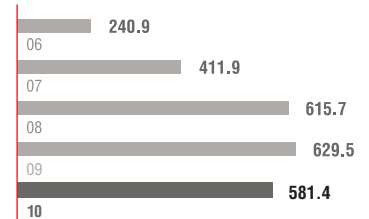
GROSS PROFIT *in Millions*



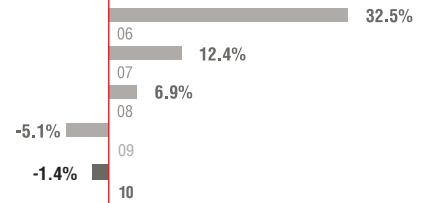
BOOKINGS *in Millions*



OPERATING INCOME *in Millions*



NET DEBT TO NET CAPITAL RATIO *Percentage*



* From Continuing Operations (Diluted)



VISION Become the world's most respected company in flow management through our industry expertise, innovative solutions and community commitment.

Future Focus

As we pursue our Vision, Mission and Key Strategies, we remain focused on maintaining our leadership position and industry expertise. Our Vision defines our ambition as a company. Our Mission offers clarity in how we will perform. And our Key Strategies provide a platform for how we will pursue our Vision and remain committed to our Mission.

Defining Our Character

Committed to conducting business according to the highest standards, Flowserve culture is centered on ethics, integrity and trust. Our values drive how we treat each other, our customers, suppliers, partners and even our competitors. By combining uncompromising character, transparent business behavior, mutual respect, and world-class products and services, we seek to build an enduring culture that creates satisfied customers and sustainable, profitable growth.



A Proud Heritage

The Flowserve legacy dates back more than 200 years and has been built through an unmatched portfolio of industry-leading brand names known worldwide.

VALVES

Accord • Anchor/Darling • Argus • Atomac • Automax
Durco • Edward • Gestra • Kämmer • Limitorque • Logix
McCANNA/MARPAC • NAF • NAVAL • Noble Alloy • Norbro
Nordstrom • PMV • Serck Audco • Valbart • Valtek • Vogt
Worcester Controls

PUMPS

Aldrich • Byron Jackson • Calder • Durco
IDP • Pacific • Pleuger • Niigata Worthington
Scienco • Sier-Bath • TKL • United Centrifugal
Wilson-Snyder • Worthington

SEALS

BW Seals • Durametallic • GASPAC • Interseal
Pac-Seal • Pacific Wietz

MISSION Move, control and protect the flow of materials in critical industries around the world as a business that exceeds customer expectations, attracts talented employees and delivers superior long-term shareholder value.

As a company we are committed to:

- » Being an experienced, trusted partner with our customers
- » Attracting and retaining a highly-skilled, diversified workforce
- » Delivering industry-leading products, services and solutions
- » Leveraging innovative technologies and processes
- » Ensuring a sustainable business for all of our stakeholders



STRATEGIES

Disciplined Profitable Growth

Customer Intimacy

Employee Focus

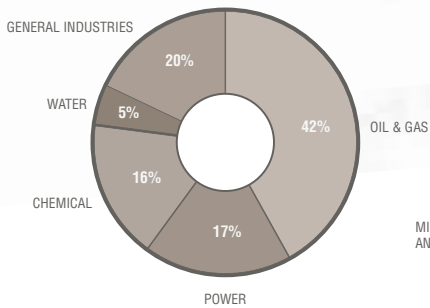
Innovation & Portfolio Management

Strategic Localization

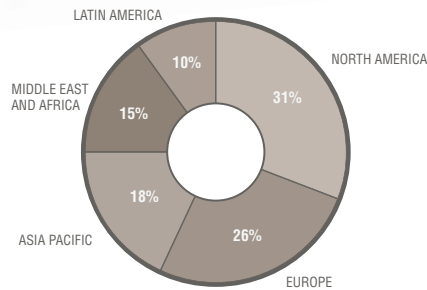
Operational Excellence

Sustainable Business Model

*Flowserve 2010
Bookings by Industry*



*Flowserve 2010
Sales by Region*



Safety, Environment & Community

Flowserve is dedicated to providing a safe workplace for our employees, demonstrated by having received more than 750 National Safety Council Awards over the last 20 years. We continue to operate with historically low workplace accident rates and in 2010 received an "America's Safest Company" award from EHS Today magazine, a leading trade publication dedicated to the management of risk in the workplace. Our focus on environmental protection has led to reductions in solvent emissions, solid waste and hazardous waste generation at Flowserve facilities around the world. And with an emphasis on supporting children's causes, we remain committed to supporting the communities where our employees and customers live and work through monetary contributions and volunteer efforts.

Quick Response Center Network

Flowserve Quick Response Centers (QRCs) — the backbone of our operating platform — provide vital aftermarket services and support for our customers. World-class repair and maintenance capabilities are offered through more than 165 dedicated QRCs worldwide. In 2010, we opened and/or expanded QRCs in strategically important locations including:

- » Australia » Canada » Chile » China » Germany » Japan
- » Kazakhstan » Korea » Mexico » Netherlands » Saudi Arabia
- » Scotland » United Kingdom » United States

VALUES

Commitment

Creativity

Collaboration

Confidence

Competence

Character



CORPORATE INFORMATION

Executive Officers

Mark A. Blinn

President and Chief Executive Officer

Mark D. Dailey

Senior Vice President
and Chief Administrative Officer

Thomas E. Ferguson

Senior Vice President;
President, Flow Solutions Group

Dean P. Freeman

Senior Vice President, Finance and Treasurer

Richard J. Guiltinan

Senior Vice President, Finance
and Chief Accounting Officer

Thomas L. Pajonas

Senior Vice President;
President, Flow Control Division

Ronald F. Shuff

Senior Vice President,
Secretary and General Counsel

Corporate Information

World Headquarters

5215 North O'Connor Boulevard
Suite 2300

Irving, Texas 75039

Telephone: 972-443-6500

Facsimile: 972-443-6800

Transfer Agent

For stock and legal transfers, changes of address,
lost stock certificates, elimination of duplicate
mailings of shareholder information or general
inquiries about stock ownership, contact:

Wells Fargo Bank, N.A.

Shareowner Services

161 North Concord Exchange
South St. Paul, MN 55075

Stock Exchange Listing

Flowserve Corporation common stock is listed on
the New York Stock Exchange (NYSE) and traded
under the symbol FLS. The company's records
show that at March 17, 2011, 55,705,893 shares
of Flowserve common stock were outstanding
(excluding treasury shares). On March 17, 2011,
the company's records showed approximately
1,580 shareholders of record.

Availability of Forms Filed with the Securities and Exchange Commission

Shareholders may obtain, without charge,
copies of the following documents as filed with
the Securities and Exchange Commission:

- Annual Reports on Form 10-K
- Quarterly Reports on Form 10-Q
- Current Reports on Form 8-K
- Changes in Beneficial Ownership
- Proxy Statements

Copies may be obtained by accessing the
company's Web site or by providing a written
request for such copies or additional information
about Flowserve operating or financial
performance to:

Investor Relations

Flowserve Corporation

5215 North O'Connor Boulevard, Suite 2300

Irving, Texas 75039

972-443-6500

investorrelations@flowserve.com

To obtain additional information on Flowserve,
please visit the company's Web site at
www.flowserve.com

Firms That Have Provided Equity Research Coverage on Flowserve Include:

BB&T Capital Markets

BMO Capital Markets

Credit Suisse

Jefferies & Company

Maxim Group

RBC Capital Markets

Robert W. Baird & Co.

Stifel Nicolaus & Co.

SunTrust Robinson Humphrey

UBS Securities

Vertical Research Partners

Board of Directors

James O. Rollans

Non-Executive Chairman of the Board
Former President and CEO, Fluor Signature Services

AUDIT COMMITTEE

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

Mark A. Blinn

President and Chief Executive Officer, Flowserve Corporation

Gayla J. Delly

President, Benchmark Electronics Inc.

AUDIT COMMITTEE

FINANCE COMMITTEE

Roger L. Fix

President and CEO, Standex International Corporation

ORGANIZATION & COMPENSATION COMMITTEE

FINANCE COMMITTEE

John R. Friedery

Former Senior Vice President, Ball Corporation
President, Metal Beverage Packaging, Americas & Asia

AUDIT COMMITTEE

ORGANIZATION & COMPENSATION COMMITTEE

Joe E. Harlan

Executive Vice President, Consumer and Office Business,
3M Company

FINANCE COMMITTEE (CHAIR)

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

Michael F. Johnston

Former CEO and Chairman of the Board, Visteon Corporation

CORPORATE GOVERNANCE & NOMINATING COMMITTEE (CHAIR)

FINANCE COMMITTEE

Rick J. Mills

Former President, Components Group, Cummins Inc.

AUDIT COMMITTEE (CHAIR)

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

Charles M. Rampacek

Former Chairman, President and CEO, Probex Corporation

AUDIT COMMITTEE

ORGANIZATION & COMPENSATION COMMITTEE

William C. Rusnack

Former President and CEO, Premcor Inc.

CORPORATE GOVERNANCE & NOMINATING COMMITTEE

ORGANIZATION & COMPENSATION COMMITTEE (CHAIR)

Kevin E. Sheehan

Partner, Cambridge Ventures

Former Non-Executive Chairman of the Board, Flowserve

FINANCE COMMITTEE

ORGANIZATION & COMPENSATION COMMITTEE



North America
Latin America
Europe
Middle East
Africa
Asia Pacific

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