Flowserve First Quarter 2016 Earnings Conference Call

April 29, 2016

Experience In Motion

Special Note

Safe Harbor Statement: This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as, "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts" or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, statements relating to our business strategy and statements of expectations, beliefs, future plans and strategies and anticipated developments concerning our industry, business, operations and financial performance and condition.

The forward-looking statements included in this news release are based on our current expectations, projections, estimates and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the following: a portion of our bookings may not lead to completed sales, and our ability to convert bookings into revenues at acceptable profit margins; changes in global economic conditions and the potential for unexpected cancellations or delays of customer orders in our reported backlog; our dependence on our customers' ability to make required capital investment and maintenance expenditures; risks associated with cost overruns on fixed-fee projects and in taking customer orders for large complex custom engineered products; the substantial dependence of our sales on the success of the oil and gas, chemical, power generation and water management industries; the adverse impact of volatile raw materials prices on our products and operating margins; our ability to execute and realize the expected financial benefits from our strategic manufacturing optimization and realignment initiatives; economic, political and other risks associated with our international operations, including military actions or trade embargoes that could affect customer markets, particularly Middle Eastern markets and global oil and gas producers, and non-compliance with U.S. export/re-export control, foreign corrupt practice laws, economic sanctions and import laws and regulations; increased aging and slower collection of receivables, particularly in Latin America and other emerging markets; our exposure to fluctuations in foreign currency exchange rates, including in hyperinflationary countries such as Venezuela; our furnishing of products and services to nuclear power plant facilities and other critical processes; potential adverse consequences resulting from litigation to which we are a party, such as litigation involving asbestos-containing material claims; a foreign government investigation regarding our participation in the United Nations Oil-for-Food Program; expectations regarding acquisitions and the integration of acquired businesses; our ability to anticipate and manage cybersecurity risk, including the risk of potential business disruptions or financial losses; our relative geographical profitability and its impact on our utilization of deferred tax assets, including foreign tax credits; the potential adverse impact of an impairment in the carrying value of goodwill or other intangible assets; our dependence upon third-party suppliers whose failure to perform timely could adversely affect our business operations; the highly competitive nature of the markets in which we operate; environmental compliance costs and liabilities; potential work stoppages and other labor matters; our inability to protect our intellectual property in the U.S., as well as in foreign countries; obligations under our defined benefit pension plans; and other factors described from time to time in our filings with the Securities and Exchange Commission.

All forward-looking statements included in this presentation are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statement.

Current Conditions Overview

- Reported 2016 first quarter Adjusted EPS* of $0.39
  - Excludes $0.10 of adjusted items[(1)] and includes $0.07 of distinct corporate expenses and $0.03 of negative currency translation
- Constant currency bookings decline of 7.8% reflects some stabilization in aftermarket and run-rate, while projects continue to delay and defer
  - Booking levels improved late in the quarter. Constant currency power bookings increased 18.8%, with general industries and water also up year-over-year. Constant currency aftermarket bookings were flat, with a book-to-bill of 1.05 in the quarter.
- Remain confident in the long-term fundamental growth outlook of our end-markets due to global megatrends
- Continuing to strategically invest in organic growth initiatives
- Current realignment program accelerates many previously planned, longer-term initiatives in light of current markets
  - Proven track record of delivering cost savings from realignment investments
  - Targeting $230 million annualized run-rate savings by 2018

***Calculated using Q1 fully diluted shares of 130.8 million**
(1) See pg. 9 for reconciliation

2016-2017 Strategic Priorities

Competitive cost structure

- Right-size to market conditions
- Accelerate our previously planned manufacturing migration to emerging markets
  - Leverage our LPO/SPO model to facilitate migration
- Structurally reduce SG&A through lean structure and facility consolidation

Targeted growth with a special focus on Aftermarket and IPD

- Aftermarket: Continue to overdrive our Aftermarket and MRO opportunities
- IPD: Enhanced front-end sales model to capture run-rate business
  - Leveraging best-in-class approach from SIHI to extend throughout IPD
  - Distribution initiatives to target previously unserved markets

Pricing and margin discipline

- Maintain focus on products that provide an aftermarket tail
- Maintain original equipment margins in products with limited aftermarket
- Enhanced coordination between sales and operations as well as increased analytics and pricing capabilities to support growth efforts

Driving structural cost reductions while focusing on profitable growth

Serving Attractive Global Infrastructure Markets

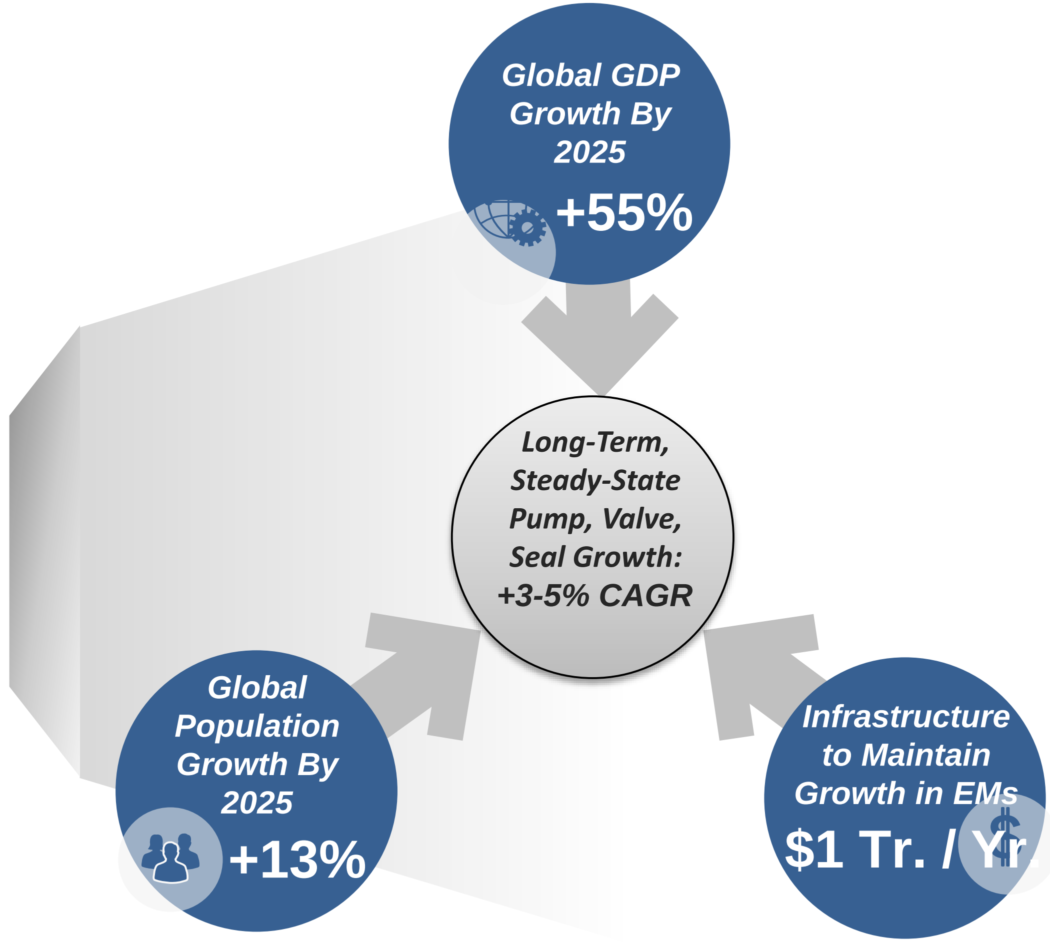
Long-term growth fueled by megatrends

- Global population growth
- Rise of emerging market middle class
- Significant infrastructure demands

Markets are cyclical, but the long-term positive drivers are still intact

Additionally, aging infrastructure drives further "brownfield" spending

- Average US refinery: 40 years old
- Average US power plant: 30 years old
- Majority of US gas pipelines built pre-1970



Sources: IEA World Energy Outlook 2015, Nov 2015; Infrastructure: World Bank; PVS market: EIF

Long-term global macro fundamentals support growth

Realignment Program Structurally Transforming Flowserve

- **To simplify tracking of our realignment programs, we combined previously announced program with SIHI's realignment – no increase in total program size since 4Q 2015**
- **Increase manufacturing capabilities and labor hours in low cost regions**
- **Enhance ability to serve growth in emerging markets**
- **Reduce our manufacturing footprint by approximately 30%**
- **Reduce cost structure by approximately $230M once realignment is complete**

Program Targets

Expected Completion: Late 2017

$400M

(Includes $50M below-the-line)
Cost Reduction Efforts
Includes SIHI realignment

~15-20%

Workforce Reduction*

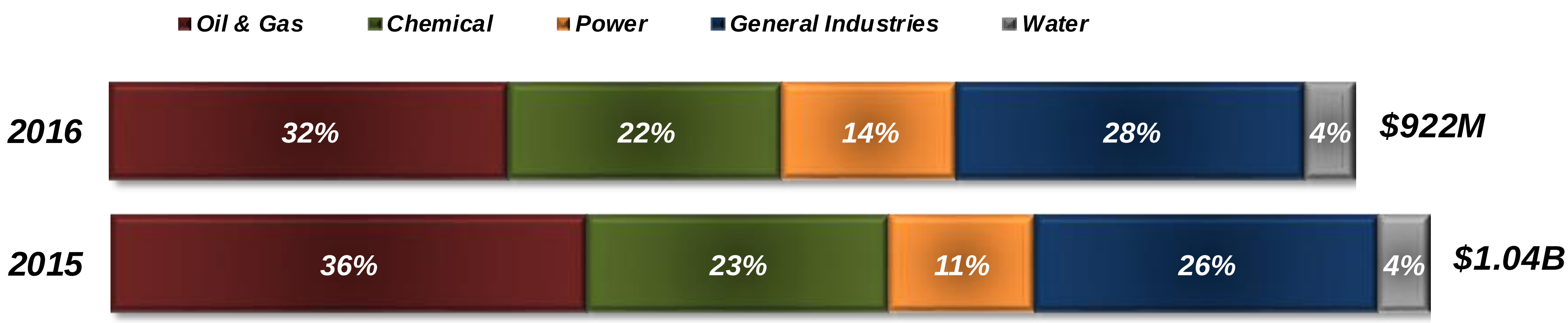
$230M

Annual Run-rate Savings
Includes SIHI realignment

Flowserve will be more focused and cost competitive, with manufacturing geographically aligned with forecasted market growth

** For workforce reduction efforts, where applicable, we will engage all necessary parties to meet our local consultation and information requirements.*

Q1 2016 Bookings & Industry Outlook



OIL & GAS
- *Low oil prices resulting in reduced investment and leading to project delays and cancellations*
- *Lower operating spend overall and downstream maintenance delays in North America & EMA*
- *Challenges in key energy producing regions further impact project & related MRO opportunities*

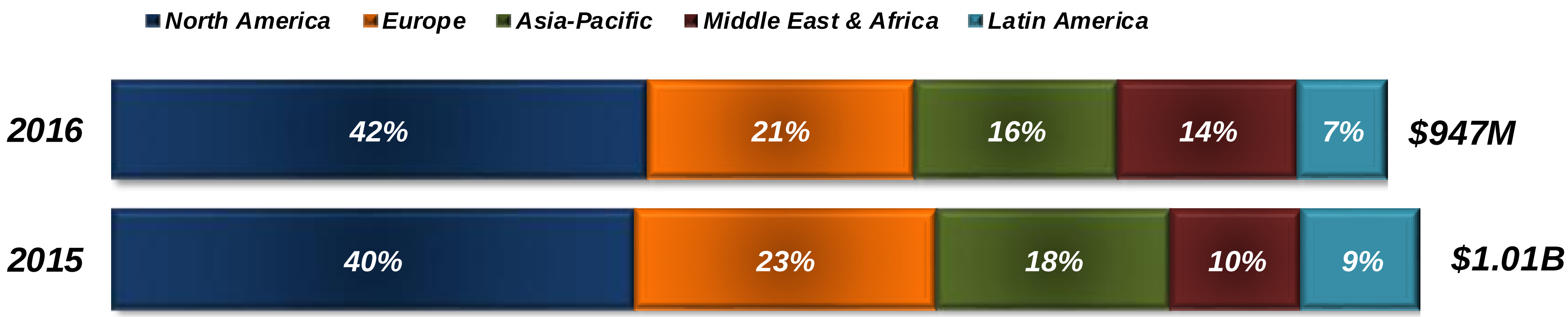
CHEMICAL
- *Chemical market transitioning to lower growth phase as new capacity from large projects comes online*
- *Investments in North America ethylene and derivatives driven by feedstock cost advantages*

POWER
- *Fossil-fired power market growth opportunities due to emerging market development and US infrastructure renewal*
- *Nuclear prospects promising given planned capacity additions, particularly in Asia Pacific*
- *Concentrated solar power & desalination market activity on the rise*

GENERAL INDUSTRIES
- *Market opportunities in pulp & paper; mining continues to be challenged*
- *Much of the global industrial picture remains sensitive to weaker demand from China*

Sources: GlobalData, IHS, Oxford Economics, IMF, Flowserve internal data

Q1 2016 Sales & Regional Outlook



NORTH AMERICA

- *Downstream project activity offset by lower investment further upstream & ongoing downstream maintenance delays*
- *Growth in US ethylene & derivatives, combined-cycle power and select general industries*

EUROPE

- *Petrochemical activity firming but refining investment down slightly; some maintenance deferrals continue as well*
- *Recent power market growth in Eastern Europe; further prospects in renewables and nuclear for Europe*

ASIA PACIFIC

- *Opportunities in targeted oil & gas, chemical and general industry despite slower growth in the region*
- *Environmental and diversification factors support growth in varying power technologies, offsetting pressure on coal-fired power*

MIDDLE EAST & AFRICA

- *Chemical investment stable to increasing in the Middle East due to feedstock cost advantages & downstream diversification ambitions*
- *Activity in fossil-fired & renewable power generation, as well as water desalination, to support economic development in the region*

LATIN AMERICA

- *Difficult oil & gas and chemical business conditions due to challenges in Brazil and Venezuela; early optimism for Mexico*
- *Power and desalination market opportunities; mining continues to be challenged*

Sources: GlobalData, IHS, Oxford Economics, IMF, Flowserve internal data

Q1 2016 - Consolidated Financial Results

	1st Quarter					1st Quarter Adjusted							
($ millions)	2016	2015	Delta ($)	Delta (%)	Constant FX (%)*	2016 Adjusted Items		2016 Adjusted Results	2015 Comparable Results		Delta ($)	Delta (%)	Constant FX (%)*
Bookings	$ 921.8	$ 1,042.6	$ (120.8)	(11.6)%	(7.8)%	$ —		$ 921.8	$ 1,042.6		$ (120.8)	(11.6)%	(7.8)%
Sales	$ 947.2	$ 1,014.6	$ (67.4)	(6.6)%	(2.1)%	$ —		$ 947.2	$ 1,014.6		$ (67.4)	(6.6)%	(2.1)%
Gross Profit	$ 308.0	$ 331.7	$ (23.7)	(7.1)%		$ (7.2)	(1)	$ 315.2	$ 355.6	(5)	$ (40.4)	(11.4)%	
Gross Margin (%)	32.5%	32.7%		(20) bps				33.3%	35.0%			(170) bps	
SG&A	$ 236.9	$ 239.9	$ (3.0)	(1.3)%	2.3%	$ 7.6	(2)	$ 229.3	$ 224.2	(6)	$ 5.1	2.3%	6.0%
SG&A (%)	25.0%	23.6%		140 bps				24.2%	22.1%			210 bps	
Income from Affiliates	$ 3.3	$ 1.6	$ 1.7	106.3%		$ —		$ 3.3	$ 1.6		$ 1.7	(106.3)%	
Operating Income	$ 74.4	$ 93.4	$ (19.0)	(20.3)%	(14.5)%	$ (14.8)		$ 89.2	$ 133.0		$ (43.8)	(32.9)%	(28.8)%
Operating Margin (%)	7.9%	9.2%		(130) bps				9.4%	13.1%			(370) bps	
Other Expense, net **	$ (3.9)	$ (19.2)	$ 15.3	(79.7)%		$ (3.6)	(3)	$ (0.3)	$ (0.2)	(7)	$ (0.1)	50.0%	
Tax Expense	$ 17.7	$ 28.5	$ (10.8)	(37.9)%		$ 5.7	(4)	$ 23.4	$ 35.1	(8)	$ (11.7)	(33.3)%	
Net Earnings	$ 37.9	$ 27.7	$ 10.2	36.8%		$ (12.7)		$ 50.5	$ 79.9		$ (29.4)	(36.8)%	
Diluted EPS	$ 0.29	$ 0.20	$ 0.09	45.0%		$ (0.10)		$ 0.39	$ 0.59		$ (0.20)	(33.9)%	

- Diluted EPS calculated using fully diluted shares of 130.8 million and 136.0 million shares in Q1 2016 and Q1 2015, respectively
- Flowserve repurchased 1,382,025 shares in Q1 2015

* Constant FX represents the year-over-year variance assuming 2016 results at 2015 FX rates

** First Quarter 2016 includes $3.6 million impact of losses arising from transactions in currencies other than our sites' functional currencies and impact of foreign exchange contracts vs. a loss of $19.9 million in Q1 2015, including $19.1 million of Venezuela remeasurement

1. Cost of sales includes $7.2 million of realignment charges
2. SG&A includes $6.3 million of realignment charges and $1.3 of PPA and integration expenses
3. Includes $3.6 million below-the-line FX impacts
4. Includes tax impact of items above
5. Excludes $13.2 million of realignment charges, $8.1 million of PPA expense, $2.2 million of Venezuela remeasurement and $0.4 million of inventory write-down
6. Excludes $8.1 of million realignment charges, $5.0 million of acquisition related costs, $1.1 million of PPA expense and $1.5 million of other severance
7. Excludes $18.5 million Venezuela remeasurement impact and $0.5 million of other below the line FX impacts
8. Excludes tax impact of items above - there is no tax benefit on the $18.5 million Venezuela remeasurement

Q1 2016 – Consolidated Bookings & Sales

Bookings **Sales**

Bookings

- Bookings decreased 11.6%, or 7.8% constant currency
  - Original equipment bookings decreased 17.6%, or 14.6% constant currency
  - Aftermarket bookings decreased 4.1%, or increased 0.6% constant currency

Sales

- Sales decreased 6.6%, or 2.1% constant currency
  - Original equipment sales decreased 7.5%, or 3.2% constant currency
  - Aftermarket sales decreased 5.3%, or 0.7% constant currency

Sources: Flowserve Internal Data

Executing on Realignment Initiative

Actions Taken:
Q1 2016

- Announced plans to close or repurpose 4 facilities in addition to 2015 actions addressing 9 facilities
- Meaningfully reduced workforce since early 2015

	Q1 2016	**Program to Date**	**Program Target** Expected Completion: Late 2017
Cost Savings	$16 million	$41 million	$195 million through 2017 ($230 million annualized run-rate savings by 2018)
Investment / Expenses	$13 million	$130 million	$400 million (Including $50M below-the-line)
Cash Expenditures	$24 million	$45 million	$350 million

Quarterly & Full Year 2016 Cash Flows

($ millions)	Q1 2016	Q1 2015
Net Income	38	30
Depreciation and amortization	29	34
Change in working capital	(84)	(210)
Other	9	53
Total Operating Activities	**(8)**	**(93)**
Capital expenditures	(20)	(84)
Acquisitions, dispositions and other	—	(340)
Total Investing Activities	**(20)**	**(424)**
(Payments) / proceeds of long-term debt, net	(15)	513
Dividends	(23)	(22)
Short-term financing and other, net	2	8
Repurchase of common shares	—	(80)
Total Financing Activities	**(36)**	**419**
Effect of exchange rates	8	(18)
Net Decrease in Cash	**$ (56)**	**$ (116)**

2015 capital expenditures included investments to increase capabilities in Asia and strategic aftermarket license

2016 Guidance Assumptions

Revenue Guidance Assumptions	2016 Guidance[(1)]
Revenue Guidance vs. 2015	-7% to -14%
EUR Rate	1.09 (yr-end 2015)
FX headwinds vs. 2015	~2%
Constant Currency Guidance	~-5% to ~-12%

Adjusted EPS Guidance Assumptions	2016 Guidance
Adjusted EPS Guidance [(2)]	$2.40 - $2.75
EUR Rate	1.09 (yr-end 2015)
FX Headwinds vs. prior year	~$0.10/share

(1) Provided February 1, 2016, reaffirmed April 29, 2016

(2) Adjusted EPS guidance includes SIHI's operational results, and will exclude the Company's realignment expenses, SIHI purchase price accounting/integration costs, below-the-line FX impact and other discrete one-time items.

2016 Cash Use Priorities

- Strategic investment of approximately $150 million in cost efficiency and manufacturing optimization initiatives
- Estimated capital expenditures of $105 – $115 million
- Capital allocation policy of annually returning 40 – 50% of running 2-year average net earnings to shareholders
- Scheduled debt principal reduction of $60 million
- Estimate U.S. and non-U.S. pension fund pre-tax contributions to be approximately $30 – $35 million
- Other strategic opportunities, after disciplined analysis

Questions and Answers

Appendix

Engineered Product Division
Q1 2016 Segment Results

($ millions)	1st Quarter 2016	1st Quarter 2015	Delta ($)	Delta (%)	Constant FX (%)*
Bookings	$ 424.5	$ 495.4	$ (70.9)	(14.3)%	(9.6)%
Sales	$ 473.8	$ 484.2	$ (10.4)	(2.1)%	4.7%
Gross Profit	$ 158.0	$ 165.6	$ (7.6)	(4.6)%	
Gross Margin (%)	33.3%	34.2%		(90) bps	
SG&A	$ 102.8	$ 98.4	$ 4.4	4.5%	9.9%
SG&A (%)	21.7%	20.3%		140 bps	
Income from Affiliates	$ 3.2	$ 1.6	$ 1.6	100.0%	
Operating Income	$ 58.4	$ 68.8	$ (10.4)	(15.1)%	(8.4)%
Operating Margin (%)	12.3%	14.2%		(190) bps	
Adjusted Operating Income **	$ 62.2	$ 68.8	$ (6.6)	(9.6)%	(2.9)%
Adjusted Operating Margin % **	13.1%	14.2%		(110) bps	

Continued execution and tight cost control delivered solid adjusted margin performance

* Constant FX represents the year over year variance assuming 2016 results at 2015 FX rates
** Adjusted Operating Income excludes realignment charges of $3.8 million for Q1 2016

Engineered Product Division
Q1 2016 Bookings and Sales

($ millions)		1st Quarter 2016	1st Quarter 2015	Delta (%)	Constant FX (%)*
Bookings Mix **	OE	111	163	(32)%	(28)%
		26%	33%	(700) bps	
	AM	313	332	(6)%	—%
		74%	67%	700 bps	
Sales Mix **	OE	166	155	7%	17%
		35%	32%	300 bps	
	AM	307	329	(7)%	(1)%
		65%	68%	(300) bps	

Flat constant currency aftermarket bookings reflects stabilization of core aftermarket

* Constant FX represents the year over year variance assuming 2016 results at 2015 FX rates
** Gross bookings and sales do not include interdivision eliminations

Engineered Product Division Q1 Overview

- Bookings decreased 14.3%, or 9.6% on a constant currency basis
  - Decrease driven primarily by oil and gas, general industries and chemical
  - Bookings decreased in all regions with the exception of Asia Pacific
- Sales decreased 2.1%, or increased 4.7% on a constant currency basis
  - Decreased aftermarket sales were partially offset by solid original equipment sales
- Gross margin decreased 90 basis points to 33.3% primarily due to decreased sales and under-absorption
- Operating margin decreased 190 basis points to 12.3%, or 110 basis points to 13.1%, excluding realignment

Industrial Product Division
Q1 2016 Segment Results

	1st Quarter					1st Quarter Adjusted							
($ millions)	2016	2015	Delta ($)	Delta (%)	Constant FX (%)*	2016 Adjusted Items		2016 Adjusted Results	2015 Comparable Results		Delta ($)	Delta (%)	Constant FX (%)*
Bookings	$ 207.7	$ 247.7	$ (40.0)	(16.1)%	(13.8)%	$ —		$ 207.7	$ 247.7		$ (40.0)	(16.1)%	(13.8)%
Sales	$ 197.5	$ 223.4	$ (25.9)	(11.6)%	(9.0)%	$ —		$ 197.5	$ 223.4		$ (25.9)	(11.6)%	(9.0)%
Gross Profit (Loss)	$ 50.2	$ 42.9	$ 7.3	17.0%		$ (1.6)	(1)	$ 51.8	$ 64.2	(3)	$ (12.4)	(19.3)%	
Gross Margin (%)	25.4%	19.2%		620 bps				26.2%	28.7%			(250) bps	
SG&A	$ 46.5	$ 56.2	$ (9.7)	(17.3)%	(14.4)%	$ 3.7	(2)	$ 42.8	$ 42.6	(4)	$ 0.2	0.5%	4.2%
SG&A (%)	23.5%	25.2%		(170) bps				21.7%	19.1%			260 bps	
Income from Affiliates	$ 0.3	$ —	$ 0.3	100.0%				$ 0.3	$ —		$ 0.3	—%	
Operating Income (Loss)	$ 4.0	$ (13.3)	$ 17.3	—%	—%	$ (5.3)		$ 9.3	$ 21.6		$ (12.3)	(56.9)%	(61.1)%
Operating Margin (%)	2.0%	(6.0)%		800 bps				4.7%	9.7%			(500) bps	

Integration and realignment initiatives expected to bring SIHI's operating margins in-line with IPD's

* Constant FX represents the year over year variance assuming 2016 results at 2015 FX rates
(1) Includes $1.6 million of realignment
(2) Includes $2.3 million of realignment and $1.3 million of PPA expenses
(3) Excludes $13.2 million of SIHI realignment charges and $8.1 million SIHI PPA expense
(4) Excludes $7.5 million of SIHI realignment charges, $1.1 million SIHI PPA expense and $5.0 million of acquisition related costs

Industrial Product Division
Q1 2016 Bookings and Sales

($ millions)		1st Quarter 2016	1st Quarter 2015	Delta (%)	Constant FX (%)*
Bookings Mix **	OE	133	176	(24)%	(23)%
		64%	71%	(700) bps	
	AM	75	72	4%	8%
		36%	29%	700 bps	
Sales Mix **	OE	132	155	(15)%	(12)%
		67%	70%	(300) bps	
	AM	65	68	(4)%	(2)%
		33%	30%	300 bps	

IPD's overall book-to-bill exceeds 1 for the first time since Q1 2015, with 8% constant currency aftermarket growth

* Constant FX represents the year over year variance assuming 2016 results at 2015 FX rates
** Gross bookings and sales do not include interdivision eliminations

Industrial Product Division Q1 Overview

- Bookings decreased 16.1%, or 13.8% on a constant currency basis
  - Decrease driven primarily by oil and gas and chemical industries
  - Bookings into all regions decreased with the exception of Asia Pacific
- Sales decreased 11.6%, or 9% on a constant currency basis
  - Decrease driven primarily by original equipment sales
- Adjusted gross margin decreased 250 basis points to 26.2% due primarily to decreased sales and under-absorption
- Adjusted operating margin decreased 500 basis points to 4.7% due primarily to decreased sales and gross profit
- Backlog increased 4% versus year-end 2015 on Q1 book-to-bill of 1.05

Flow Control Division
Q1 2016 Segment Results

($ millions)	1st Quarter 2016	2015	Delta ($)	Delta (%)	Constant FX (%)*
Bookings	$ 310.1	$ 323.0	$ (12.9)	(4.0)%	(0.7)%
Sales	$ 299.0	$ 327.2	$ (28.2)	(8.6)%	(6.3)%
Gross Profit	$ 99.0	$ 118.9	$ (19.9)	(16.7)%	
Gross Margin (%)	33.1%	36.3%		(320) bps	
SG&A	$ 60.0	$ 64.1	$ (4.1)	(6.4)%	(4.2)%
SG&A (%)	20.1%	19.6%		50 bps	
Income from Affiliates	$ (0.1)	$ (0.1)	$ —	—%	
Operating Income	$ 38.9	$ 54.7	$ (15.8)	(28.9)%	(27.2)%
Operating Margin (%)	13.0%	16.7%		(370) bps	
Adjusted Operating Income **	$ 44.5	$ 54.7	$ (10.2)	(18.6)%	(17.0)%
Adjusted Operating Margin % **	14.9%	16.7%		(180) bps	

Stable constant currency bookings driven by strong general industries activity

* Constant FX represents the year over year variance assuming 2016 results at 2015 FX rates
** Adjusted Operating Income excludes realignment charges of $5.6 million for Q1 2016

Flow Control Division
Q1 2016 Bookings and Sales

($ millions)		1st Quarter			
		2016	2015	Delta (%)	Constant FX (%)*
Bookings Mix **	OE	241	250	(4)%	—%
		78%	77%	(100) bps	
	AM	69	73	(5)%	(3)%
		22%	23%	(100) bps	
Sales Mix **	OE	239	267	(10)%	(8)%
		80%	82%	(200) bps	
	AM	60	60	—%	3%
		20%	18%	200 bps	

FCD continues to focus on MRO initiatives

* Constant FX represents the year over year variance assuming 2016 results at 2015 FX rates
** Gross bookings and sales do not include interdivision eliminations

Flow Control Division Q1 Overview

- Bookings decreased 4.0%, or 0.7% on a constant currency basis
  - Decreased bookings driven primarily by the chemical and oil and gas industries, partially offset by increased bookings in general industries
  - Decreased bookings into all regions with the exception of Latin America
- Sales decreased 8.6%, or 6.3% on a constant currency basis
  - Driven primarily by decreased original equipment sales
  - Sales decreased into all regions except the Middle East and Africa
- Gross margin decreased 320 basis points to 33.1%, excluding realignment gross margins were 34.4%
- Excluding realignment, operating margin decreased 180 basis points to 14.9%
- Backlog increased 3% versus year-end 2015 on Q1 book-to-bill of 1.04

Primary Working Capital

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

	Q1 2016		Q1 2015	
($ millions)	**$**	**%**	**$**	**%**
Receivables	915	20.4%	1,016	21.1%
Inventory	1,088	24.2%	1,119	23.2%
Payables	(410)	-9.1%	(485)	(10.1)%
Primary Working Capital	1,593	35.5%	1,650	34.2%
Advance Cash*	(321)	(7.1)%	(366)	(7.6)%
Total	**1,272**	28.4%	**1,284**	**26.6%**
Backlog	**2,191**		**2,689**	

Accounts Receivable

Accounts Receivable DSO at 91 days in Q1 2016, down 3 days versus 94 days prior year Q1

- *Elevated DSO driven in part by certain Latin American customers with extended terms compared to our usual terms, however balances are not disputed.*

Inventory

Inventory turns were 2.3 times, versus 2.4 times prior year Q1

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