

Results From Continuing Operations — For the Years Ended December 31, 2012, 2011 and 2010

(in millions, except %)	For the year ended December 31,			2012 VS 2011 Favorable / (Unfavorable) Change		2011 VS 2010 Favorable / (Unfavorable) Change	
	2012	2011	2010	\$	%	\$	%
Net Sales							
Aerospace & Electronics	\$ 701	\$ 678	\$ 577	\$ 24	3%	\$ 101	17%
Engineered Materials	217	220	212	(4)	(2)%	8	4%
Merchandising Systems	372	374	298	(2)	(1)%	76	25%
Fluid Handling	1,196	1,140	1,008	55	5%	133	13%
Controls	94	88	84	6	6%	4	5%
Total Net Sales	\$ 2,579	\$ 2,500	\$ 2,179	\$ 79	3%	\$ 321	15%
Sales Growth:							
Core business				\$105	4%	\$ 211	10%
Acquisitions/dispositions				12	1%	60	3%
Foreign exchange				(38)	(2)%	51	2%
Total Sales Growth				\$ 79	3%	\$ 321	15
Operating Profit from Continuing Operations							
Aerospace & Electronics	\$ 156	\$ 146	\$ 109	\$ 10	7%	\$ 36	33%
Engineered Materials	25	30	30	(5)	(18)%	—	(1)%
Merchandising Systems	34	30	17	3	11%	13	81%
Fluid Handling	148	150	121	(2)	(1)%	28	23%
Controls	13	11	5	2	14%	6	121%
Total Segment Operating Profit from Continuing Operations*	\$ 375	\$ 367	\$ 283	\$ 9	2%	\$ 84	30%
Corporate Expense	\$ (65)	\$ (58)	\$ (49)	\$ (7)	(11)%	\$ (9)	(19)%
Corporate — Asbestos charge	—	(242)	—	242	NM	(242)	NM
Corporate — Environmental Charge	—	(30)	—	30	NM	(30)	NM
Total Operating Profit from Continuing Operations	\$ 310	\$ 37	\$ 233	\$274	749%	\$ (197)	(84)%
Operating Margin %							
Aerospace & Electronics	22.2%	21.5%	18.9%				
Engineered Materials	11.3%	13.5%	14.2%				
Merchandising Systems	9.1%	8.1%	5.6%				
Fluid Handling	12.4%	13.1%	12.1%				
Controls	13.6%	12.7%	6.0%				
Total Segment Operating Profit Margin % from Continuing Operations*	14.6%	14.7%	13.0%				
Total Operating Margin % from Continuing Operations	12.0%	1.5%	10.7%				

* The disclosure of total segment operating profit and total segment operating profit margin provides supplemental information to assist management and investors in analyzing our profitability but is considered a non-GAAP financial measure when presented in any context other than the required reconciliation to operating profit in accordance with ASC 280 "Disclosures about Segments of an Enterprise and Related Information." Management believes that the disclosure of total segment operating profit and total segment operating profit margin, non-GAAP financial measures, present additional useful comparisons between current results and results in prior operating periods, providing investors with a clearer view of the underlying trends of the business. Management also uses these non-GAAP financial measures in making financial, operating, planning and compensation decisions and in evaluating our performance. Non-GAAP financial measures, which may be inconsistent with similarly captioned measures presented by other companies, should be viewed in addition to, and not as a substitute for our reported results prepared in accordance with GAAP.