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PARTICIPANTS

Corporate Participants

Martin R. Benante – Chairman & Chief Executive Officer, Curtiss-Wright Corp.
Glenn E. Tynan – Chief Financial Officer & Vice President, Curtiss-Wright Corp.
David Charles Adams – President & Chief Operating Officer, Curtiss-Wright Corp.

Other Participants

Michael F. Ciarmoli – Analyst, KeyBanc Capital Markets
Stephen E. Levenson – Analyst, Stifel, Nicolaus & Co., Inc.
Myles A. Walton – Analyst, Deutsche Bank Securities, Inc.
Tyler E. Hojo – Analyst, Sidoti & Company, LLC
Ken Herbert – Analyst, Imperial Capital LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the Curtiss-Wright First Quarter 2013 Financial Results Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will follow at that time. [Operator Instructions] As a reminder, this conference call is being recorded.

I would now like to introduce your host for today's conference, Mr. Martin Benante. Please go ahead.

Martin R. Benante, Chairman & Chief Executive Officer

Thank you, Kate, and good morning, everyone. Welcome to our first quarter 2013 earnings conference call. Joining me on the call today are Dave Adams, our President and Chief Operating Officer, and Glenn Tynan, our Vice President and Chief Financial Officer.

Curtiss-Wright delivered a strong first quarter performance. We exceeded our initial guidance, generating $0.44 in diluted earnings per share, primarily based on operational improvements and better-than-expected results from our new acquisitions. If you exclude the dilution from recent acquisitions, pro forma diluted earnings per share would have been $0.50 per diluted share or nearly 20% increase over last year.

Overall, sales and operating income results were solid, with organic operating income growing 7% on flat organic sales, producing 40 basis points in margin improvements year-over-year. These results reflect the benefits from our recently implemented restructuring and operational improvement – our previously implemented, sorry, restructuring and operational improvement initiatives. I'll look forward to continued improvements and operational efficiency that will drive Curtiss-Wright's performance this year.

I'll now turn to Glenn – call over to Glenn.

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Glenn E. Tynan, Chief Financial Officer & Vice President

Thank you, Marty. Our call today is being webcast and the press release, as well as a copy of today's financial presentation, are available for download through the Investor Relations section of our company website at www.curtisswright.com. A replay of this call also can be found on the website.

Please note, today's discussion will include certain projections and statements that are forward-looking, as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are not guarantee of future performance.

Forward-looking statements always involve risks and uncertainties and we detail those risks and uncertainties in our public filings with the SEC. In addition, certain non-GAAP financial measures will be discussed on the call today. A reconciliation is available in the earnings release and at the end of this presentation and will be available on the company's website.

For our agenda today, I will provide you with an overview of Curtiss-Wright's first quarter 2013 performance and financial outlook, followed by Dave, who will provide an update on our recent acquisitions, before turning it back to Marty, who will discuss our strategic outlook and then open the call for questions.

I want to begin by providing some additional color on our first quarter operating performance. While acquisitions were the primary driver behind improved sales growth in the quarter, they also created approximately 110 basis points in margin dilutions related primarily to purchase accounting, specifically increased amortization levels and inventory step up that we typically experienced during the first few months of ownership.

Excluding the recent acquisitions, we experienced operating margin growth in all three segments compared to the prior year as follows. Flow Control was up 190 basis points year-over-year, primarily based on improved profitability in power generation, based on increased sales volumes tied to products and services for existing operating reactors.

Controls increased 40 basis points, primarily due to the benefits of previously implemented cost-reductions initiatives within the defense business. And finally, Surface Technologies was up 200 basis points based on higher sales volumes and improved absorption of fixed costs as well as the benefits from their 2012 restructuring.

We would expect the margin dilution from acquisitions to be less of a factor in future quarters. In addition, first quarter new orders increased 20% based on a combination of acquisitions as well as organic orders growth in our Controls business. Book-to-bill exceeded 1x overall in the quarter, and if you exclude the recent acquisitions our book-to-bill would have been slightly higher.

Moving to our end markets, first quarter sales in defense decreased 8% overall, primarily due to the timing of production on several naval defense platforms, as well as the winding down of production on several programs within the aerospace defense market. The aerospace and navel defense markets decreased 10% and 7% respectively during the first quarter, which more than offset a 4% increase in ground defense.

Despite the first quarter reduction in naval defense sales, which was due primarily to timing on the Virginia class submarine program, we continue to expect higher sales in this end market in 2013. This growth will be supported by the ramp up on the CVN-79 aircraft carrier program and also it's based on received and anticipated new naval defense orders that Marty will address in a few minutes.

Overall, we continue to project defense-related sales to be flat to down 4% in 2013. Note that we are not including any potential specific impact for sequestration in our 2013 guidance at this time. On our next earnings call we hope to have additional clarity on the specific sequestration-related budget cuts and any resultant impact on our defense business, if any.

Next I'll move on to our commercial end markets, which collectively grew 34% during the first quarter based on strong contributions from our recent acquisitions and solid organic growth in the commercial aerospace and power generation markets.

Within our energy markets, our aftermarket businesses continues to perform well. This was most evident in the power generation market in support of existing operating reactors, where we experienced solid demand for our obsolescence solutions as we continued to expand our installed base, and also for spent fuel management solutions. In addition, we experienced higher AP1000 program revenues as the ramp up on the domestic program more than offsets the winding down on the China program.

In the oil and gas market, we expect the solid first quarter momentum to continue throughout 2013, based on our acquisitions as well as improved U.S refinery-related MRO demand supporting ongoing maintenance needs. Elsewhere, in commercial aerospace we continue to expect that the OEM cycle will remain healthy for several more years, with Curtiss-Wright benefiting from continued production rate increase across numerous Boeing and Airbus platforms and increased support from our emergent operations facility supporting the Boeing 787 program.

Furthermore, regarding the 787 program, we have not seen any deceleration in our production activity as a result of the recent fleet grounding, as first quarter 2013 deliveries were up solidly and as expected.

And finally, building on a solid first quarter performance, our recent acquisitions of Williams, PG Drives and Exlar will bring expanded growth to both existing and new customers within the general industrial market.

This includes solid demand for various industrial sensors, controls, drives and actuation equipment supplied to electric-powered industrial, medical, specialty and off-road vehicles.

In summary, our overall guidance within our commercial markets remains unchanged as we're expecting growth of 30% to 34% in 2013. You can find the complete table of our guidance by end market in the appendix as well as in the earnings press release.

Moving on to our financial outlook, I wanted to briefly review a few items. Full-year sales growth of 18% to 20% reflects our expectations for solid growth across all three segments and it's primarily based on the contribution from our recent acquisitions. While we expect these acquisitions to positively contribute to operating income this year, they will be dilutive to operating margins in 2013, as expected.

Consequently, we are expecting flat organic sales growth. However, we anticipate our base businesses will generate healthy margin expansion as we realize the benefits from previous restructuring and operational excellence initiatives. This gives us confidence in achieving solid overall margin expansion in 2013.

As for our EPS guidance, we continue to expect approximately 60% of our full-year EPS to occur in the second half of the year, with the fourth quarter being the largest, as we have generated historically.

And lastly, some additional financial guidance metrics for 2013. Since our last call, we completed a new $500 million private placement note offering, taking advantage of the low interest rate

environment to secure an attractive average interest rate below 4%. As a result, our interest expense guidance reflects this recent debt issuance, which also temporarily increases our net debt to capital ratio to nearly 40%. We expect this ratio to decrease throughout the year to a more normalized ratio in the low 30% range as we repay some of the outstanding debt.

Lastly, we have a $125 million higher interest rate note that will be paid off in September. Overall we remain pleased with our balanced capital structure, as it enables us to continue to expand our operations and actively pursue strategic acquisitions.

Now I'd like to turn the call over to Dave to provide some updates on our recent acquisitions. Dave?

David Charles Adams, President & Chief Operating Officer

Thanks, Glenn. As you are aware, our seven recent acquisitions have provided us with an ample opportunity to continue to grow our business by further expanding our product offerings into adjacent markets and geographies and adding tremendous market depth.

I wanted to take a few minutes to provide you with an update on our integration status for each acquisition, including completed tasks and some near-term opportunities. In the Control segment, our recent acquisitions have considerably increased our addressable market for industrial sensors and controls to complement our existing aerospace sensors and controls business. I'll begin with Williams Controls, which develops advanced sensor and controls products and systems for specialty and off-road vehicles. As the only public company that we acquired in 2012, we secured immediate cost savings of $2.5 million by eliminating their public company costs and integrating their sales and marketing teams within Curtiss-Wright.

Another key step was the consolidation of our existing aerospace sensors business in China into Williams' state-of-the-art manufacturing facility. We are expecting Williams' 2013 sales to grow approximately 15% year-over-year, led by increasing on-road truck volumes and improving off-road equipment sales well above industry average due to their unique technical capabilities.

Looking ahead, we are focused on the integration of Williams' product lines with our existing offering and we will continue to look for ways to build Curtiss-Wright's offering of industrial off-highway sales, which also applies to PG Drives.

We also intend to expand our industrial presence in India using Williams' Pune facility as a base to drive future sales to a new region for Curtiss-Wright. This will further increase the worldwide penetration of our sensors and electronic throttle controls.

PG Drives is a leader in highly engineered electronic controllers and drives for advanced electric power industrial and medical vehicles. Thus far we have consolidated one of PG Drives' U.S. sales facilities into one of our existing facilities and completed the integration of our U.S. and U.K. industrial sales and marketing teams.

We'll look to build on these measures with further facility consolidations and additional integration and leverage Curtiss-Wright's supply-chain management in the near future. We expect PG Drives to generate about 10% annual sales growth in 2013.

The business has experienced solid growth in the medical mobility market despite ongoing Medicare-related issues as well as improved industrial market sales, as we are winning share from competitors, producing solid sequential quarterly growth in the first quarter of 2013 in excess of the market. At this time, both Williams and PG Drives are on plan to meet 2013 targets.

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Let's move on to Exlar, which expanded our existing controls and actuation offering. The business provides industry-leading electromechanical actuation products designed to replace hydraulic and air-powered cylinders in electric industrial mechanical as well as defense equipment. Thus far, integration has focused on lowering Exlar's cost base, increasing their competitiveness and expanding their distribution network. As a result, we have introduced Controls' industrial sales and marketing teams to Exlar's wide array of products to further increase end-market penetration and future expansion of their customer base by leveraging both Controls' and Flow Control's global exposure.

Although a small portion of sales are currently attributed to defense, Exlar's actuation products meet the defense industry's desire for increased energy efficiency, more environmentally friendly technology and, most importantly, increased survivability. More to come on this as we continue to grow Exlar's defense business. Overall, we expect Exlar to generate nearly 10% annual sales growth in 2013 and so far the acquisition is tracking in line with plan.

Next, to our Surface Technology segment and an update on Gartner. This acquisition greatly strengthened our position within the highly engineered thermal spray coatings market, as we added new technologies in new markets serving new geographic areas and customers. Aside from focusing on various cost-reduction initiatives, we have completed the evaluation and planning stage to open a new satellite coatings facility in Houston, Texas to cover pipes, pump motors and other processing equipment serving Gartner's oil and gas customers, its largest end market.

Looking ahead, we expect to leverage the significant cross-synergies between Gartner and our existing thermal spray businesses. This includes increased penetration within the energy end markets we serve, the ability for technology transfer and insertion across existing facilities and the potential to integrate existing Curtiss-Wright coating technologies into Gartner facilities for increased pursuit of aftermarket applications.

Gartner is presently tracking in line to slightly above plan, with year-over-year sales growth of approximately 8%.

Next, within our Flow Control segment to AP Services, whose fluid-sealing solutions further extended our product breadth and enhanced our presence as a key supplier of aftermarket power-generation services. Thus far we have fully integrated AP Services into Flow Control's supply chain and completed the training of the AP Services sales team to represent an existing Midwest Flow Control business that previously had no direct sales force.

As is typical with similar niche nuclear aftermarket acquisitions, we expect to fully integrate AP Services' product line into Curtiss-Wright's market-leading global distribution network. AP Services is currently tracking in line with plan.

Midway through the quarter we completed the acquisition of the Phönix Group, which manufactures high-performance severe service valves and valve systems. Although it has only been about two months, integration continues to progress nicely. There are significant opportunities for global expansion and cross selling in our energy and industrial markets as Phönix provides an entree for our products in the key geographies in Europe and Asia while we can provide Phönix access to Curtiss-Wright's existing North American customers.

We also are evaluating several product line synergies in the oil and gas and power generation markets. We expect to have expanded details on the integration of Phönix on our next call.

Next, on to Cimarron, which brings a solid reputation as a leading provider of production, processing and separation solutions to the upstream oil and gas market. We've been working through various functional integrations and focusing on initial operational improvements within Cimarron's business. Thus far, Cimarron is tracking in line with plan, with 2013 revenue expected to

grow approximately 14%. One of the key integration initiatives that is already underway is in our oil and gas business.

Due to Cimarron's industry-leading technical capabilities and products serving the upstream oil and gas market, they would have to make significant investment in plant capacity in order to meet the rapidly growing demand.

On the other hand, Curtiss-Wright has the capabilities and capacity to support their growth without further investment at our Cedar Crossing, Texas vessels facility. Our existing facility has significant crane capability at available space that can be utilized to service Cimarron's over-capacity requirements. This also allows us to make larger systems, which opens up the high-end segment that Cimarron was previously unable to access.

This is clearly a win-win situation for Curtiss-Wright, as it also enables us to increase capacity utilization and offset some of the overhead under-absorption that we've been experiencing as a result of downstream refining market weakness.

Furthermore, while we experience a learning curve in 2013 as we transition production to Texas, we believe this integration initiative has the potential to generate additional sales for Cimarron and Curtiss-Wright in excess of $40 million beginning as early as 2014, which would also substantially improve Flow Control's profitability.

This is a significant step for Curtiss-Wright as we continue to broaden our upstream product offering and stabilize our oil and gas business over the long run. In addition, Cimarron is in a solid position to grow its emission control devices business. Following new Environmental Protection Agency rules governing the destruction of harmful vapors established in 2012, four of Cimarron's five emission control device designs passed EPA-mandated tests during the first quarter of 2013.

Cimarron has one additional device that is currently being tested. Once testing is complete on the final device, Cimarron will become the first fabricator to have its devices certified to meet the new EPA standard.

Finally, I wanted to revisit the pro forma 2013 market breakdown that we provided on the previous call, which as you can see displays a very diversified and balanced portfolio that is more equally weighted across our defense, energy and commercial industrial markets. During the first quarter, defense sales represented about 29% of our total sales, down from 38% of sales in the prior-year period. We are already experiencing the transition to a more diversified end-market portfolio as well as improved profitability as we shift to a higher percentage of commercial sales. Additionally, we continue to expect that our recent acquisitions will contribute approximately $400 million in sales and, putting purchase accounting aside, will provide increased profitability in 2013.

In summary, our strategy of growing through niche acquisitions to complement our subsequent organic growth has positioned us for tremendous future opportunities to expand our sales and profitability.

Now I would like to turn the call back over to Marty for his final comments before we wrap up the call.

Martin R. Benante, Chairman & Chief Executive Officer

Well, thank you, Dave. As you've heard so far today, we continue to position Curtiss-Wright for strong, profitable growth. We intend to accomplish this by advancing internal operational improvements, leveraging opportunity to grow into new technologies and markets and expanding our global offering of products and services.

As Dave highlighted, integration of our seven recent acquisitions is going well. Furthermore, our approach to acquisitions requires the business unit management team that will own the target post-acquisition, to own the entire process from due diligence through integration.

As a result, we typically have different Curtiss-Wright management teams working concurrently on integration, which minimizes our overall integration execution risks. It just so happens that we essentially have seven different teams working on integration for the seven recent acquisitions.

That said, we are still going to look out for additional opportunities of similar size and end-market profile, namely in upstream oil, gas and oil, sensors, highly technical surface treatment technologies and niche power generation businesses.

We also maintained a stable balance sheet and solid financial profile, along with a manageable debt to capitalization ratio, which provides flexibilities in terms of future transactions. This directly supports our strategy to further balance our end-market diversification, one of the core components of a long-term plan that fuels our competitiveness and creates less overall downside risk for Curtiss-Wright.

Next I would like to highlight some key factors affecting our two largest end markets, starting in defense. While the continuing resolution with the full defense appropriations bill for fiscal year 2013 has been inactive, which provides more clarity on the 2013 budget through the end of the government's fiscal year in September, uncertainty in defense remains, including the possibility for cuts tied to sequestration. Our best information so far is that cuts to the Navy's shipbuilding plans will likely result in the elimination of any of the fiscal 2013 ships authorized and appropriated for construction, including the refueling and complex overhaul of CVN-72.

We are eagerly awaiting the decision from Congress regarding the president's fiscal 2014 budget request. Based on preliminary indications, the Navy's defense outlook appears to be positive, as it continues the construction of two Virginia-class submarines per year, whereby the president's fiscal year 2012 budget requested only one Virginia-class submarine for fiscal 2014. It also notes the potential for increased funding for surface ships and the refueling and overhaul of the prior generation of aircraft carriers, keeping us confident in maintaining our naval defense guidance.

Already since January 1, 2013, we have received orders of approximately $100 million, most of which were planned for products for the Virginia-class submarine construction program, CVN-71 and 72 overhaul, DDG-51 and DDG-1000 destroyer construction programs and the Ohio-class replacement submarine development program. We expect additional orders throughout 2013 for the Virginia and the DDG-51 multiyear procurement programs and to support continued CVN-78 and 79 construction and Nimitz-class overhauls.

Meanwhile, within the aerospace and ground markets, continued uncertainty associated with funding authorization remains and continues to reflect our expectations for lower orders in 2013. Overall, as Glenn noted, we continue to project defense-related sales to be flat to down 4% in 2013, which does not factor into any potential specific impact for a sequestration. In fact, sequestration appears to be less ominous for our naval defense business.

Next, a few updates in power generation, starting with the AP1000 program. As you recall, in 2012 we completed the pump construction cycle and shipped the first four of 16 reactor coolant pumps, or RCPs, required for Sanmen Unit 1 in China.

During the first quarter, an AP1000 RCP impeller provided to Curtiss-Wright from a supplier was found to be defective. Now we have since determined numerous impellers from the subcontractor to be defective.

As a result, we are working closely with Westinghouse and the Chinese to replace the hardware while minimizing schedule impact of deliveries of RCPs to plants in China. While we previously expected in the remaining 12 China pumps to be shipped this year, it is possible the final four pumps may ship in early 2014.

We will provide an update once a solution has been met, and at this time we do not expect any additional costs to impact our business, nor should it affect the plants being built. In addition, as we previously stated, we expect out next AP1000 order to come from China. We have received the RFQ from multiple new-build sites under construction with Curtiss-Wright's content to be determined.

High-level discussions have taken place with China's state nuclear power technology company and former negotiations have commenced. We expect a new order later this year.

Outside of China, new-build activities continues to progress. In the UAE, we received new orders in the first quarter exceeding $8 million to support UAE's new-build reactors and have an additional outstanding proposal for another $22 million, which we expect to be awarded over the next six to 18 months. In addition, we provided proposals in excess of $25 million for new reactors in Romania.

Elsewhere, in the operating reactors portion of our business, we experienced strong new orders in the first quarter. Our Flow Control business received more than $5 million in first awards from NRC orders one, two, and three related to Fukushima's response initiatives that have more than $25 million in outstanding proposals.

We also received more than $15 million in new orders specifically tied to assisting U.S. plant operators to solve the obsolescence issues and more than $6 million from international customers, including the U.K., Sweden, Canada, Brazil and Spain. We currently have an additional $40 million in proposals outstanding for U.S. customers related to our obsolescence solutions.

Finally, we continue to see strong order activity supporting plant upgrades and modifications as well as growth in our installed base, leading to a solid expansion of Curtiss-Wright content. Our longstanding expertise in this industry will provide solid growth for years to come.

I also want to highlight the solid operational performance within our service technologies business, where organic operating income grew 16% on a 1% increase in sales. This solid performance reflects the benefit of our 2012 restructuring effort, including the closure of some underperforming facilities and the sale of our heat treat business – heat treating business, as well as continued operational improvements.

The heat treating business was mainly an outsource type of business and was not in line with our focus on highly engineered technologies in this segment. As a result of these efforts, our further expansion up the technological chain with the addition of Gartner, we're able to realize the benefits of improved returns and better mix in technology for Curtiss-Wright moving forward.

Overall, I remain confident in the company's ability to continue to deliver strong revenue and profitability growth as we execute our strategic plan, based on solid organic growth enhanced by strategic acquisitions. We will continue to integrate our recent acquisitions and improve our operations to increase profitability and generate long-term shareholder value.

Furthermore, management is focused on margin expansion and cash flow generation. And we have tasked all of our operational leaders to increase these two key metrics.

Finally, we expect the growth of our business to be complemented by our disciplined and well balanced capital allocation strategy, which also includes paying down our existing debt along with

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our commitment to return capital to shareholders in the form of dividends and/or share repurchases.

And at this time, I would like to open the conference call for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] I am showing our first question comes from the line of Michael Ciarmoli with KeyBanc. Your line is open.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Hey, good morning, guys, thanks for taking the calls.

<A – Martin Benante – Curtiss-Wright Corp.>: Hi, Mike.

<A – David Adams – Curtiss-Wright Corp.>: Good morning, Mike.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Just to dig in on the $0.06 of I guess acquisition-related headwinds, what's the expectation for the future quarters and is that going to be lingering, are these lingering expenses that will hit in 2014?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, Mike, good morning. Let me explain the $0.06. First of all, the dilution in the first quarter comes primarily from interest because from an operating – the interest we allocate to the acquisitions – from an operating profit standpoint, they were basically breakeven, despite the accelerated amortization, backlog and inventory step up. So in the first quarter they were basically breakeven from an operating income standpoint. The acquisitions overall turned accretive and slightly accretive in the second quarter and then significantly better in the third and fourth quarters. And I think, as I told you, we expected them to generate about $0.12 of EPS after interest in 2013. And we are tracking on that or we can probably be a little – slightly better depending on how the rest of the integration goes. So the operating income, again, they turn accretive beginning the next quarter. From an EPS standpoint it's slightly accretive as well.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: So there will be no additional kind of adjustments in future quarters?

<A – Glenn Tynan – Curtiss-Wright Corp.>: No. That's correct.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. And then what about the – even on looking at your corporate and other kind of $41 million expense this year, you kind of called out some higher non-segment. Do any of those expenses roll off next year or is that a good level to kind of look at?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Well, the biggest driver in there is our pension, increased pension.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: All right. So we don't really know what next year's going to be yet, but I would say that I hope that stays level and doesn't increase any further. We significantly dropped our discount rate this year. So that's where that comes from. Another piece of it is FX transaction losses, and they swing from year to year – transaction losses in our hedging program. So we actually had losses in the first quarter of 2013. Again, we hope that doesn't reoccur.

And I am just saying the other thing is we had some, I won't say higher legal expenses, we actually had – we had load and accrual last year in our legal expense and we have a normal legal expense this year. So that will probably go away.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. That's helpful.

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<A – Glenn Tynan – Curtiss-Wright Corp.>: Big driver is the pension now.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. And then last one for me, just the cap structure, I guess 43% debt to cap, highest it's been in a while. I think you said you are going to pay down some debt later this year. What are the thoughts about that current metric, and I mean are you comfortable at these levels with possibly consummating more acquisitions later in the year?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, we are. I think our projections do call for that to come down to the low 30s. You know we have a 45% self-limitation that we've instituted. And we have always managed, 70 acquisitions later, under that metric. So I think we are comfortable, and again our projections shows that metric coming down and our capacity and cash available going up for the remainder of the year. So I'm comfortable.

<A – David Adams – Curtiss-Wright Corp.>: We are very comfortable.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. Perfect. Thanks a lot, guys. That's all I had.

<A – Martin Benante – Curtiss-Wright Corp.>: All right, Mike. Thank you.

Operator: Our next question comes from the line of Steve Levenson with Stifel. Your line is open.

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Thanks. Good morning, everybody.

<A – Martin Benante – Curtiss-Wright Corp.>: Good morning, Steve.

<A – David Adams – Curtiss-Wright Corp.>: How are you, Steve?

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Good. Thank you. Good to see the results and the benefits, the restructuring, the acquisitions. On the commercial aerospace side, can you tell us if you're participating in Boeing's partnering for success program and if so what you see as potential obstacles this year where, if you can keep your margins where they are, and what you think the potential benefits are going forward?

<A – David Adams – Curtiss-Wright Corp.>: We do – Steve, we do participate with Boeing in their partnership quest and we have – and it's an ongoing process and we are working closely with them to identify areas of cost improvement. And I would think that we will be able to improve margins as we continue to Lean out some of the processes and work closely with them in all areas.

We have, for example, some aspects of design improvement that we can incorporate that would reduce costs of some of that parts, and that's always an opportunity if we can get those through.

So we are participating and I would anticipate some pick up but don't have a number at this point, but we are definitely in the process working with them.

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Okay. Thanks. If I'm correct, they don't guarantee you anything on new programs or increased content on current ones, but do you have any expectations on that? Are you hearing anything from your peers about participating, too?

<A – David Adams – Curtiss-Wright Corp.>: Well, as a matter of fact we are – we did build our Emergent Operations facility in support of Boeing. And this is part of that. When we provide them the capability, almost a build it and they will come perspective, that they are looking at us as a more viable, let's call it subcontractor vendor in a local area. And you are right, they don't promise you an increased content or share, but you certainly get a new peek at opportunities that we would not

have had prior to that. And it gives us the opportunity to compete and we do very well in that regard, so we anticipate picking up new top line as a result of our participation. That's the whole thing that Boeing is going after.

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Got it. Thank you. And on the defense side, despite sequestration and some of the programs that have come to an end, what sort of opportunities do you see on the MRO or replacement parts side? Is there anything beyond what you've discussed in the guidance that is potentially better?

<A – Martin Benante – Curtiss-Wright Corp.>: We don't do much MRO when it comes to the Navy, or to the defense. We have some repair capabilities – not some, but we have repair capabilities for ground and aerospace, but we don't see much opportunity there. What we are looking at and do see a lot of opportunity is upgrades of some of the existing platforms that are going to be modernized out into the future, such as the Abrams and the Bradley, where we can have significant increased content there.

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Okay. That's great. Thanks. Do the acquisitions contribute to that at all or is this mostly coming from legacy operations?

<A – Martin Benante – Curtiss-Wright Corp.>: It's coming from legacy operations. Basically the acquisitions that we acquired, of the $400 million, I think only about $10 million is associated with defense; it's almost all strictly commercial.

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Got it. Thanks for the additional detail.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thanks, Steve.

Operator: Our next question comes from the line of Myles Walton with Deutsche Bank. Your line is open.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Thanks. Good morning.

<A – Martin Benante – Curtiss-Wright Corp.>: Hi, Myles.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Dave, I think you mentioned profitability with respect to the mix and moving away from defense towards commercial and the opportunity to improve the overall profitability and profit margin of the company. If you look today, maybe use this quarter as a microcosm or this year, is defense – are defense margins actually below commercial or are they above commercial?

<A – David Adams – Curtiss-Wright Corp.>: They are slightly below. On a defense basis, you know, you're limited to how much you can actually charge and make on them. Think of the U.S. government [indiscernible] (41:09) some of it's sole-sourced, and not only that, most of our business is sole-sourced, and that's what limits your profitability there.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. But again, there it's slightly below.

<A – David Adams – Curtiss-Wright Corp.>: Yes.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And then, Marty, you mentioned the RCP impeller kind of issue and I think you talked about it potentially moving out the shipment to the last slug of RCPs to maybe 2014. Are the Chinese willing to place an order this year or is that delivery -?

<A – Martin Benante – Curtiss-Wright Corp.>: No, that's – the thing is it's better that we found the problem. The problem will be fixed. If doesn't really delay their operating the plant. They have already the ability to buy five additional new plants, of which four are designated to be AP1000 and one is designated to be an AP1400. So it's just the natural progression of them placing orders. Now the thing is is we are negotiating some portions of that four plants what our content will be. But they are committed to placing those orders.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And how is the relationship with the organic supplier on the ground there that you have a licensing agreement with in terms of their ability to pick up, to manufacture the RCP and for you to effectively be not producing the RCP for China organically at that point?

<A – Martin Benante – Curtiss-Wright Corp.>: Well, the thing is is that we are always going to have some content associated with RCPs with China. The subcontractors that we have in China are, I wouldn't say lagging – it's not easy to go from not producing these to try to digest them even over a five-year timeframe. So I think where our content over the first two – our plants will be much greater than maybe the last two. It could be equal on all four, we will see how that goes.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And you also [indiscernible] (43:26) on the RCP, so you mentioned it wouldn't be an expense item for the year. Is that because you have already provisioned for it in the guidance or because it won't be in -?

<A – David Adams – Curtiss-Wright Corp.>: No, no, because it's something that has to be covered by our subcontractor.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. All right, good deal. Thanks.

<A – David Adams – Curtiss-Wright Corp.>: All right, Miles.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thanks, Miles.

Operator: Our next question comes from the line of Tyler Hojo with Sidoti & Co. Your line is open.

<A – David Adams – Curtiss-Wright Corp.>: Hi, Tyler.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Good morning, Tyler.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Morning. Just to follow on the last line of questioning on nuclear, it sounded like the aftermarket-related piece of the business did a little bit better in Q1.

<A – David Adams – Curtiss-Wright Corp.>: Yeah.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Are you kind of changing your expectation within that little niche or is that a potential offset for these pump set that could potentially slip into 2014? How are you thinking about that?

<A – Martin Benante – Curtiss-Wright Corp.>: First of all, let's go with the pump set because we are on a -

<A – Glenn Tynan – Curtiss-Wright Corp.>: Percent completed.

<A – Martin Benante – Curtiss-Wright Corp.>: Percent complete accounting, that really doesn't cause any financial change, in reality.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay.

<A – Martin Benante – Curtiss-Wright Corp.>: But you are right when we start looking at, not only aftermarket, but we have an expressed amount of installed base we have on other reactors, other than Westinghouse, and there is a nuclear build cycle outside of China, and we are on those plants, so not only is the aftermarket doing much better, we will – and there's a couple of reasons why. Not only do we have about 20% N-stamps in the United States, we do provide a lot of those solutions. Okay? As far as the obsolescence is concerned, we talked in the past about the Fukushima initiatives, that there was phase 1, 2 and 3.

And when we see – start to see some procurement in phase 2 and more procurement in phase 3, we are starting to see that. As a matter of fact, we received the first orders based on the Fukushima initiatives. Next is the fact that we have other plants being built outside of China and the United States. So we're just giving you some color that, as we've talked about in the past with UAE, we see in Korea, a couple of new reactors that we have about $20 million of installed base, $25 million per reactor there, you're starting to see those procurements coming through, and also the one in Romania.

So I think that even though we haven't changed the guidance, I think we are going to do much better in that market space.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay. So maybe looking at kind of consolidated guidance as a whole, maybe at a little bit less visibility on defense but is the offset there nuclear predominantly?

<A – David Adams – Curtiss-Wright Corp.>: Yes.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay. Got it.

<A – Martin Benante – Curtiss-Wright Corp.>: Not only that, our gas and oil, quite frankly, is stable. We are running a little heavy because we are introducing some new products. We expect to have some traction there. But also as Dave mentioned, our ability to take an overcapacitized facility that we have in Cimarron and putting it up into our Cedar Crossing facility, which is under-utilized because of the downturn in the downstream market, that also help – is going to help out in profitability not only this year but very much so going forward next year.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay. Great.

<A – Martin Benante – Curtiss-Wright Corp.>: So it's not just the nuclear, it's also gas and oil stabilizing, becoming better. In reality, with Dave's integration between the Cimarron and the Cedar Crossing plant, that's going to be a huge improvement for us not only in sales but also in profitability – somewhat this year but really it's – a lot of it's going to happen next year.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay. Great. Thanks for the additional color there. Just a quick question on CapEx, so if I look at your guidance there on the high end, I mean you are really only expecting, call it like a $17 million or $18 million year-over-year increase, but you've got, I don't know, about $400 million of sales coming online. Could you just walk us through kind of what's going on with that?

<A – Martin Benante – Curtiss-Wright Corp.>: When you really look at CapEx, we've spent a lot of money in the past upgrading and doing some restructuring. We've put two new facilities in Mexico. We upgraded our facility in Tempe, Arizona. We put in facilities in China, not only for sensors but also for metal treatment. So what is happening is we've built up a lot of infrastructure already, and even though we have $400 million of new businesses coming in, we aren't really seeing – of course we've spent a lot of money in the past – we don't really see spending as much money going forward.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay. What do you think the – kind of the current base of business, what the maintenance CapEx would be on that?

<A – Martin Benante – Curtiss-Wright Corp.>: A lot of our money is not maintenance. It's actually putting up facilities and new facilities, so I don't have that breakout, quite frankly.

<A – Glenn Tynan – Curtiss-Wright Corp.>: In 2013, Tyler, I don't think we have any big major things in our guidance this year. That more reflects the acquisition offset by some of the things Marty talked about that won't recur that we paid out last year, so the bulk of that $90 million to $95 million guidance is our current maintenance level now.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay. Got it. Great. And just one last quickie from me. Do you have the breakdown of backlog by segment?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yes. I do. Okay. In Flow Control is $1.13 billion.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: In Controls it's about $570 million.

<Q – Tyler Hojo – Sidoti & Company, LLC>: Perfect. Okay. Thanks so much.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Welcome.

Operator: [Operator Instructions] Our next question comes from the line of Ken Herbert with Imperial Capital. Your line is open.

<Q – Ken Herbert – Imperial Capital LLC>: Hi, good morning.

<A – Martin Benante – Curtiss-Wright Corp.>: Hi, good morning, Ken.

<Q – Ken Herbert – Imperial Capital LLC>: Hey, just wanted to – based on your comments and, Marty, in the full-year guidance I would expect a nice step up here sequentially from the first to the second quarter. Am I correct in maybe Controls is probably being one of the biggest contributors to that from a margin standpoint, operating profit, as I look to sort of back into the mid-60s number for the second quarter?

<A – David Adams – Curtiss-Wright Corp.>: Yes. I think that, when you take a look at Controls [indiscernible] (50:56), because of purchase accounting it was at 5.9 and we are looking for them to go between 11.8 and 12, that's exactly what's going to take place. Not only will they shed a lot of that purchase accounting, but they're going to also have quite a bit of improved profitability going forward.

<Q – Ken Herbert – Imperial Capital LLC>: So how much is that...

<A – David Adams – Curtiss-Wright Corp.>: If we were really to exclude the acquisitions, they would be more in the 13.5% margin range.

<Q – Ken Herbert – Imperial Capital LLC>: So a lot of the step up from the first to the second quarter is just the accounting and the purchase accounting going away but maybe some of that operationally and some of the other impact of what you have done from that front?

<A – David Adams – Curtiss-Wright Corp.>: Exactly.

<A – Martin Benante – Curtiss-Wright Corp.>: There is a couple of other things, too. I mean, number one, besides just the improved – the turnaround in the acquisitions, the incremental volume of about $50 million in the last three quarters as well, which will provide some favorable absorption. They have also done a whole bunch of different things to reduce their cost base, such as their Mexico facility, so we are also seeing that ramping – continue to ramp up throughout the year and that gives us very good savings out of that low-cost economy. They are going to have an integration savings specifically from the Williams acquisition from a cost in the first quarter to savings in the second – the rest of the year, and millions of dollars of cost reduction and benefits from the restructuring that they have done.

There is a couple of other things besides just the volume that gets them to where they need to be by the end of the year; that will happen in the last three quarters.

<Q – Ken Herbert – Imperial Capital LLC>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: How did you like that for our accountant talking operations?

<Q – Ken Herbert – Imperial Capital LLC>: I'm surprised it was Glenn that brought it up, but that's good.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hey, you noticed.

<A – Martin Benante – Curtiss-Wright Corp.>: It's a common theme among all our executives, believe me.

<Q – Ken Herbert – Imperial Capital LLC>: Just to go back to the AP1000, I think you highlighted sales in North America for new construction up in the first quarter, correct?

<A – Martin Benante – Curtiss-Wright Corp.>: Yes.

<Q – Ken Herbert – Imperial Capital LLC>: And how much is that up over last year? I mean, I know obviously these programs are continuing and with the percentage of completion process, I mean what kind of growth to AP1000 in North America for new build are you modeling in this year?

<A – Martin Benante – Curtiss-Wright Corp.>: Well, I think the way we should look at is if you take a look at the China and U.S. last year to this year, we actually are down year-over-year.

<Q – Ken Herbert – Imperial Capital LLC>: Yeah.

<A – Martin Benante – Curtiss-Wright Corp.>: And the improvement in sales is all coming from – all from aftermarket, new build and upgrades for the Fukushima. When we get the new order, you are going to see that switch because you are going to have – even though it starts to ramp up, the United States will increase again next year and then you are going to see a really nice pop coming in China toward the end of the year going into the following year. So we expect an improved profile going outward.

<Q – Ken Herbert – Imperial Capital LLC>: Okay. That's helpful. And just finally I know obviously there has been a number of issues with the pumps as part of this initial order with China and a lot of that to be expected as you ramp this up. As you think about transitioning here to a second order, and I know the bill of materials is going to be different, but what are you doing just from a risk mitigation standpoint to maybe de-risk the subsequent order in China or elsewhere to ideally get to better margins on what should be a very profitable line of business?

<A – Martin Benante – Curtiss-Wright Corp.>: Well, the thing is that if you take a look at the – from a technical standpoint, we already went through a lot of that technical risk. So what happens is if you take the technical risk and put that to the left and say the configuration should be stabilized, okay, then the second is obviously if you made hardware you have to remake it again; that goes away. Then it comes down to rework. Your first 16 pumps, we had about 25% rework across the board for the first order. Our domestic is tracking at seven. So you are going to see that learning curve coming through and the risk mitigation going away from both a technical standpoint and a cost standpoint.

<Q – Ken Herbert – Imperial Capital LLC>: Okay. All right. No, that's helpful. Thank you very much.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thanks, Ken.

Operator: I'm not showing any further questions at this time. I'd like to turn the call back over to Mr. Martin Benante for closing remarks.

Martin R. Benante, Chairman & Chief Executive Officer

Thank you, Kate. Thank you for joining us today. One final note before we end the call. We are excited to announce that our new Curtiss-Wright website will launch later in the second quarter and so be on the lookout in the near future. And I also look forward, as well as Dave and Glenn, to speaking with you again during our second quarter 2013 earnings call. Thanks a lot for joining us.

Glenn E. Tynan, Chief Financial Officer & Vice President

Thank you. Have a good one.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This does conclude the program and you may all disconnect. Everyone, have a great day.

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