CURTISS WRIGHT CORP

FORM 10-Q
(Quarterly Report)

Filed 8/4/1999 For Period Ending 6/30/1999

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Industry	Aerospace & Defense
Sector	Capital Goods
Fiscal Year	12/31

SECURITIES and EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities and Exchange Act of 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1999

Commission File Number 1-134

CURTISS-WRIGHT CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	13-0612970 (I.R.S. Employer Identification No.)
1200 Wall Street West Lyndhurst, New Jersey (Address of principal executive offices)	07071 (Zip Code)

(201) 896-8400
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value $1.00 per share: 10,099,611 shares (as of July 30, 1999)

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(In thousands)

	June 30, 1999	December 31, 1998
Assets:		
Cash and cash equivalents	$ 13,379	$ 5,809
Short-term investments	50,581	66,444
Receivables, net	61,432	60,912
Deferred tax asset	7,796	7,841
Inventories	55,953	54,048
Other current assets	2,482	3,519
Total current assets	191,623	198,573
Property, plant and equipment, at cost	251,878	237,215
Less, accumulated depreciation	165,342	162,704
Property, plant and equipment, net	86,536	74,511
Prepaid pension costs	46,555	43,822
Goodwill	31,875	30,724
Other assets	4,993	5,110
Total assets	$361,582	$352,740
Liabilities:		
Current portion of long-term debt	$ 20,523	$ 20,523
Accounts payable and accrued expenses	27,938	30,687
Dividends payable	1,327	
Income taxes payable	6,416	5,052
Other current liabilities	11,067	11,548
Total current liabilities	67,271	67,810
Long-term debt	20,162	20,162
Deferred income taxes	10,301	9,714
Other liabilities	24,630	25,461
Total liabilities	122,364	123,147
Stockholders' equity:		
Common stock, $1 par value	15,000	15,000
Capital surplus	51,655	51,669
Retained earnings	355,833	342,218
Unearned portion of restricted stock	(32)	(40)
Accumulated other comprehensive income	(3,388)	(2,800)
	419,068	406,047
Less, cost of treasury stock	179,850	176,454
Total stockholders' equity	239,218	229,593
Total liabilities and stockholders' equity	$361,582	$352,740

See notes to consolidated financial statements.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS of EARNINGS
(UNAUDITED)

(In thousands except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1999	1998	1999	1998
Net sales	$140,545	$120,251	$70,195	$59,405
Cost of sales	90,847	80,380	45,515	37,656
Gross margin	49,698	39,871	24,680	21,749
Research and development costs	1,740	591	592	286
Selling expenses	7,752	4,856	3,721	1,738
General and administrative	19,511	16,403	10,164	9,535
Operating income	20,695	18,021	10,203	10,190
Investment income, net	1,458	1,581	753	502
Rental income, net	2,247	1,763	1,421	850
Pension income	2,563	1,689	1,282	876
Other income (expense), net	(337)	79	(252)	(20)
Interest expense	630	185	327	96
Earnings before taxes	25,996	22,948	13,080	12,302
Provision for taxes	9,735	8,642	4,801	4,601
Net earnings	$ 16,261	$ 14,306	$ 8,279	$ 7,701
Weight average number of shares outstanding	10,143	10,187	10,143	10,187
Basic earnings per common share	$1.60	$1.40	$0.82	$0.76
Diluted earnings per common share	$1.57	$1.38	$0.79	$0.75
Dividends per common share	$0.13	$0.13	$0.13	$0.13

See notes to consolidated financial statements.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS of CASH FLOWS
(UNAUDITED)

(In thousands)

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Cash flows from operating activities:		
Net earnings	$ 16,261	$ 14,306
Adjustments to reconcile net earnings to net cash provided by operating activities (net of businesses acquired)		
Depreciation and amortization	5,744	4,881
Net gains on short-term investments	(81)	(170)
Increase in deferred taxes	632	1,221
Changes in operating assets and liabilities:		
Proceeds from sales of trading securities	190,132	197,151
Purchases of trading securities	(174,188)	(197,895)
(Increase) decrease in receivables	12,257	(2,218)
(Increase) decrease in inventory	(476)	86
Decrease in progress payments	(13,086)	(2,220)
Increase (decease) in accounts payable and accrued expenses	(2,979)	599
Increase in income taxes payable	1,364	71
Increase in other assets	(2,749)	(3,027)
Decrease in other liabilities	(2,532)	(1,812)
Other, net	(557)	1,381
Total adjustments	13,481	(1,952)
Net cash provided by operating activities	29,742	12,354
Cash flows from investing activities:		
Proceeds from sales of real estate and equipment	106	280
Additions to property, plant and equipment	(11,573)	(2,581)
Acquisitions	(5,953)	(6,106)
Net cash used by investing activities	(17,420)	(8,407)
Cash flows from financing activities:		
Dividends paid	(1,319)	(1,324)
Common stock repurchased	(3,433)	
Net cash used by financing activities	(4,752)	(1,324)
Net increase in cash and cash equivalents	7,570	2,623
Cash and cash equivalents at beginning of period	5,809	6,873
Cash and cash equivalents at end of period	$ 13,379	$ 9,495

See notes to consolidated financial statements.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS of STOCKHOLDERS' EQUITY
(UNAUDITED)

(In thousands)

	Common Stock	Capital Surplus	Retained Earnings	Unearned Portion of Restricted Stock Awards	Accumulated Other Comprehensive Income	Treasury Stock
December 31, 1997	$15,000	$52,010	$318,474	$(342)	$(3,289)	$177,000
Net earnings			29,053			
Common dividends			(5,309)			
Common stock repurchased						612
Stock options exercised, net		(449)				
Amortization of earnings portion of restricted stock		108		302		(1,158)
Translation adjustments, net					489	
December 31, 1998	15,000	51,669	342,218	(40)	(2,800)	176,454
Net earnings			16,261			
Common dividends			(2,646)			
Common stock repurchased						3,433
Stock options exercised, net		(14)				(37)
Amortization of earned portion of restricted stock				8		
Translation adjustment, net					(588)	
June 30, 1999	$15,000	$51,655	$355,833	$ (32)	$(3,388)	$179,850

See notes to consolidated financial statements.

NOTES to CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS of PRESENTATION

Curtiss-Wright Corporation (the "Corporation") is a diversified multi-national manufacturing and service concern that designs, manufactures and overhauls precision components and systems and provides highly engineered services to the aerospace, defense, automotive, shipbuilding, oil, petrochemical, agricultural equipment, power generation, railroad, metal working and fire & rescue industries. The Corporation's principal operations include, five manufacturing facilities (four domestic and one in Switzerland), thirty-seven metal treatment service facilities located in North America and Europe, and four component overhaul facilities.

The information furnished in this report has been prepared in conformity with generally accepted accounting principles and as such reflects all adjustments, consisting primarily of normal recurring accruals, which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Corporation's 1998 Annual Report on Form 10-K. The results of operations for these interim periods are not necessarily indicative of the operating results for a full year. Certain reclassifications of prior year amounts have been made in order to conform to the current presentation.

2. ACQUISITIONS

On June 30, 1999, the Corporation acquired Metallurgical Processing, Inc. (MPI), a midwest supplier of commercial heat-treating services, primarily to the automotive and industrial markets. MPI provides a number of metal-treating processes including carburizing, hardening, and carbonitriding and services a broad spectrum of customers from its Fort Wayne, Indiana location.

The Corporation acquired the stock of MPI for approximately $7.0 million in cash (of which $1.0 million has been deferred for one year) and has accounted for the acquisition as a purchase in the second quarter of 1999. The excess of purchase price over the fair value of the net assets acquired is not expected to be material, based on preliminary estimates.

3. RECEIVABLES

Receivables, at June 30, 1999 and December 31, 1998, include amounts billed to customers and unbilled charges on long-term contracts consisting of amounts recognized as sales but not billed at the dates presented. Substantially all amounts of unbilled receivables are expected to be billed and collected within a year. The composition of receivables for those periods is as follows:

	(In thousands) June 30, 1999	December 31, 1998
Accounts receivable, billed	$54,605	$63,412
Less: progress payments applied	1,102	11,687
	53,503	51,725
Unbilled charges on long-term contracts	15,835	17,447
Less: progress payments applied	5,960	6,350
	9,875	11,097
Allowance for doubtful accounts	(1,946)	(1,910)
Receivables, net	$61,432	$60,912

4. INVENTORIES

Inventories are valued at the lower of cost (principally average cost) or market. The composition of inventories at June 30, 1999 and December 31, 1998 is as follows:

	(In thousands) June 30, 1999	December 31, 1998
Raw materials	$ 9,500	$ 8,862
Work-in-process	23,422	27,582
Finished goods	26,445	23,130
Total inventories	59,367	59,574
Less: progress payments applied	3,414	5,526
Net inventories	$55,953	$54,048

5. ENVIRONMENTAL MATTERS

The Corporation establishes a reserve for a potential environmental responsibility when it concludes that a determination of legal liability is probable, based upon the advice of counsel. Such amounts, if quantified, reflect the Corporation's estimate of the amount of that liability. If only a range of potential liability can be estimated, a reserve will be established at the low end of that range. Such reserves represent today's values of anticipated remediation not reduced by any potential recovery from insurance carriers or through contested third-party legal actions, and are not discounted for the time value of money.

The Corporation is joined with many other corporations and municipalities as potentially responsible parties (PRPs) in a number of environmental cleanup sites, which include the Sharkey Landfill Superfund Site, Parsippany, New Jersey, Caldwell Trucking Company Superfund Site, Fairfield, New Jersey, Pfohl Brothers Landfill Site, Cheektowaga, New York, and PJP Landfill, Jersey City, New Jersey identified to date as the most significant sites.

The Corporation believes that the outcome of any of these matters would not have a material adverse effect on the Corporation's results of operations or financial condition.

6. SEGMENT INFORMATION

The Corporation conducts its business operations through three manufacturing segments, Precision Manufacturing Products & Services (PMPS), Actuation and Control Products & Services (ACPS), and Flow Control Products & Services (FCPS).

(In thousands)	Three Months Ended June 30, 1999			Three Months Ended June 30, 1998		
	PMPS	ACPS (1)	FCPS	PMPS	ACPS	FCPS
Revenue from external customers	$26,016	$30,529	$13,650	$27,263	$25,957	$ 6,185
Intersegment revenues	53	0	0	151	0	0
Segment net income	3,702	1,129	746	5,212	670	466
Segment assets	80,773	116,104	42,596	65,457	89,277	15,721

	Six Months Ended June 30, 1999			Six Months Ended June 30, 1998		
	PMPS	ACPS (1)	FCPS	PMPS	ACPS	FCPS
Revenue from external customers	$52,018	$60,838	$27,689	$53,131	$54,319	$12,801
Intersegment revenues	172			306		
Segment net income	7,533	2,052	1,878	9,822	(181)	1,348

(1) Includes consolidation costs, net of tax benefits for the relocation of operations in the amounts of $.8 million and $1.1 million for the second quarter and first half of 1999, respectively.

Reconciliation	Three months ended June 30, 1999	Three months ended June 30, 1998	Six months ended June 30, 1999	Six months ended June 30, 1998
Total segment net income	$5,577	$6,348	$11,463	$10,989
Rental income, net	738	415	1,182	838
Investment income, net	744	483	1,219	1,325
Pension income	758	548	1,516	1,036
Corporate and other	462	(93)	881	118
Consolidated net income	$8,279	$7,701	$16,261	$14,306

7. COMPREHENSIVE INCOME

Effective January 1, 1998, the Corporation adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS No. 130). SFAS No. 130 establishes standards for reporting and displaying changes in equity from non-owner sources. Total comprehensive income for the second quarter and first six-month periods ended June 30, 1999 and 1998 are as follows:

	(In thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Net earnings	$8,279	$7,701	$16,261	$14,306
Equity adjustment from Foreign currency translations	861	(279)	(285)	(88)
Total comprehensive income	$9,140	$7,422	$15,976	$14,218

8. EARNINGS PER SHARE

The Corporation accounts for its earnings per share (EPS) in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" (SFAS No. 128). Diluted earnings per share were computed based on the weighted average number of shares outstanding plus all potentially dilutive common shares issuable for the periods. Dilutive common shares for the three and six months ended June 30, 1999 were 65,000 and 183,000, respectively and 14,000 and 148,000 for the three and six months ended June 30, 1998.

9. SUBSEQUENT EVENT

On July 28, 1999, Curtiss-Wright Corporation announced that it had entered into an agreement to acquire the Pressure Relief Valve (PRV) and Vehicle Control Valve and Pump (VCP) businesses of Teledyne Fluid Systems, an Allegheny Teledyne Incorporated company.

PRV operates under the "Farris Engineering" trade name and is one of the world's leading manufacturers of spring loaded and pilot-operated pressure-relief valves for use in processing industries that include refineries, petrochemical/chemical plants and pharmaceutical manufacturing. The VCP business being acquired provides specialty hydraulic and pneumatic valves and air-driven pumps and gas boosters sold under the "Sprague" and "PowerStar" trade names for general industrial applications. VCP also manufactures certain directional control valve products for truck transmissions and car transport carriers.

The products of the businesses to be acquired are manufactured in Brecksville, Ohio and Brantford, Ontario. A service and distribution center is located in Edmonton, Alberta. The Corporation plans to continue the PRV and VCP businesses in their current locations with the current team of employees.

The combined sales of the businesses being acquired were approximately $42.8 million in 1998. Curtiss-Wright has contracted to purchase the assets of the businesses for approximately $44 million in cash.

The consummation of the transaction is subject to customary government approvals pursuant to the Hart-Scott-Rodino Act, completion of a review of the businesses of PRV and VCP, and certain closing conditions being met by the parties including the execution of a Transition Services Agreement. The transaction is expected to be completed in the third quarter of 1999.

10. RECENTLY ISSUED ACCOUNTING STANDARDS

In June 1999, the Financial Accounting Standards Board issued Statement No. 137 deferring the effective date of Statement No. 133, "Accounting for Derivatives and Hedging Activities" (SFAS No. 133). SFAS No. 133 is now effective for all fiscal quarters of all fiscal years beginning after June 15, 2000 (January 1, 2001 for the Corporation). SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Corporation anticipates that, due to its limited use of derivative instruments, the adoption of SFAS No. 133 will not have a significant effect on its results of operations or its financial position.

PART I - ITEM 2
CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

MANAGEMENT'S DISCUSSION and ANALYSIS of FINANCIAL CONDITION and RESULTS of OPERATIONS

RESULTS of OPERATIONS

Net earnings for the Corporation rose 8% to $8.3 million, or $.79 per diluted share, from $7.7 million or $.75 per diluted share for the second quarter of 1998. Sales increased 18% to $70.2 million from $59.4 million a year ago. Operating earnings of $10.2 million were essentially the same as they were for the same quarter of last year. While new orders for the second quarter increased only slightly to $60.9 million, backlog was 30% higher, at $189.4 million.

Net earnings for the first six months of 1999 increased 14% to $16.3 million, or $1.57 per diluted share, from $14.3 million, or $1.38 per share, for the first six months of 1998. Sales for the 1999 first half rose 17% to $140.5 million, from $120.3 million a year ago. Operating income was 15% higher at $20.7 million for the first half of 1999, compared with the first half of 1998. New orders in the 1999 first half totaled $131.7 million, 13% above their year-ago level. These increases in sales, earnings and orders largely reflect the three acquisitions made in 1998: Alpha Heat Treaters, Enertech and Curtiss-Wright Drive Technology.

Operating Performance

The Corporation's Precision Manufacturing Products & Services (PMPS) segment reported slightly lower sales in the second quarter and first six months of 1999 than in the same periods of 1998. PMPS had record sales for metal-treatment services in 1998, but so far in 1999 has felt several of its primary markets soften: Services for oil tool, agricultural and certain aerospace customers have declined in comparison with the prior year. Net earnings for the 1999 periods were significantly below those of 1998, reflecting lower margins on slightly lower sales and increased operating expenses. Operating expenses for 1999 included costs for facility expansions, taking place both domestically and in Europe.

The Corporation's Actuation and Control Products & Services (ACPS) segment, for both the second quarter and first six months of 1999, had higher sales and earnings largely reflecting the acquisition ofCurtiss-Wright Drive Technology on December 31, 1998. Sales of commercial aircraft actuation products also improved period to period largely as a result of orders under the contract extension with Boeing signed in the first quarter of 1999. Earnings also benefited from cost and performance enhancements for these programs. In the second quarter, the sales of aircraft component overhaul and repair services were slightly higher in comparison with the last year period, while sales of military aircraft actuation products continued to decline.

The ACPS segment continues to incur substantial one-time costs associated with the consolidation of its manufacturing operations into its expanded Shelby, NC, facility and with the move of certain overhaul and repair services to a new location in Gastonia, NC. Expenses related to the consolidation activities, including costs related to the previously announced shut-down of the Fairfield, NJ, facility, totaled approximately $1.3 million during the second quarter and $1.8 million for the first six months of 1999. Additional expenses associated with the consolidation activities are expected to be incurred during the second half of 1999.

The Corporation's Flow Control Products & Services (FCPS) segment produced substantially higher sales and improved earnings in the second quarter and first half of 1999. Sales improvements for both 1999 periods were driven largely by the acquisition of Enertech in July 1998 and by additional U.S. Navy business.

Other Developments

As discussed in Note 2 to the Consolidated Financial Statements of this Form 10-Q Report, the Corporation acquired Metallurgical Processing, Inc. (MPI) on June 30, 1999. The purchase of MPI supports the Corporation's strategy of growing the heat-treating business of the PMPS segment into new geographic markets through acquisition. MPI adds an established market presence in an attractive industrial area.

As discussed in Note 9 to the Consolidated Financial Statements of this Form 10-Q Report, the Corporation entered into an agreement on July 28, 1999, to acquire the Pressure Relief Valve (PRV) and Vehicle Control Valve and Pump (VCP) businesses of Teledyne Fluid Systems.

CHANGES IN FINANCIAL CONDITION

Liquidity and Capital Resources

The Corporation's working capital was $124.4 million at June 30, 1999, 5% below working capital at December 31, 1998 of $130.8 million. The ratio of current assets to current liabilities was 2.85 to 1 at June 30, 1999, compared with a current ratio of 2.93 to 1 at December 31, 1998. Cash, cash equivalents and short-term investments totaled $63.9 million in aggregate at June 30, 1999, also decreasing slightly from $72.3 million at the prior year-end. The decline in cash and short-term investments largely reflects the MPI acquisition of June 30, 1999.

Changes in working capital reflect slight increases in net receivables and net inventories at June 30, 1999, from December 31, 1998. Working capital also benefited from reduced accounts payable and accrued expenses, which was largely offset by an increase in income taxes payable at June 30, 1999 and accrued dividends payable for the second quarter of 1999.

The Corporation has two credit agreements, a Revolving Credit Agreement and a Short-Term Credit Agreement, in effect aggregating $45.0 million with a group of three banks. The credit agreements allow for borrowings to take place in US or certain foreign currencies. The Revolving Credit Agreement commits a maximum of $22.5 million to the Corporation for cash borrowings and letters of credit. The unused credit available under this facility at June 30, 1999 was $1.1 million. The commitments made under the Revolving Credit Agreement expire October 29, 2001, but may be extended annually for successive one-year periods with the consent of the bank group. The Corporation also has in effect a Short-Term Credit Agreement which allows for cash borrowings of $22.5 million, of which $2.0 million was available at June 30, 1999. The Short-Term Credit Agreement expires October 22, 1999, and it is anticipated that it will be extended, with the consent of the bank group, for an additional period not to exceed 364 days. Cash borrowings under the two credit agreements at June 30, 1999 were at a US Dollar equivalent of $21.9 million. The loans had variable interest rates averaging 2.03% for the first half of 1999. No cash borrowings were outstanding at June 30, 1998.

During the first half of 1999, internally generated funds were adequate to meet the investing and financing needs of the Corporation. Capital expenditures totaled $11.6 million during the first half and were primarily for machinery and equipment needed for the PMPS segment. Internally generated funds were also used for the June 30, 1999 acquisition of Metallurgical Processing Inc and the purchase of a 53,000-square-foot building in Gastonia, North Carolina for a portion of its commercial aircraft component repair and overhaul operations, made during the first quarter of 1999. Additional funds generated by the Corporation were used to repurchase 94,750 shares of its common stock, at a cost of $3.4 million during the first half of 1999.

Cash and short-term investment holdings of the Corporation are expected to be adequate to cover the cost of the acquisition of the Pressure Relief Valve and Vehicle Control Valve and Pump business units of Teledyne Fluid Systems, as discussed in Note 9 to Consolidated Financial Statements. The cost of the acquisition is approximately $44.0 million.

An additional $8.5 million of capital expenditures is anticipated for the balance of the year, primarily for capital equipment and facility expansions. It is anticipated that these expenditures will be met without further borrowings.

YEAR 2000

As is more fully described under the subheading "Year 2000" under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," as referenced in the Corporation's annual report on Form 10-K for the fiscal year ended December 31, 1998, the Corporation is modifying or replacing portions of its software as well as certain hardware to permit continued operations beyond December 31, 1999 without systems failures or processing errors that might arise as a result of the so-called Year 2000 (Y2K) issue.

Each operating entity of the Corporation is at a different stage of readiness. Identification of the internal business systems of the Corporation that are susceptible to system failures or processing errors as a result of the Y2K issue is substantially complete. The Corporation is using both internal and external resources for its remediation efforts, including the modification of code and test of the resulting modifications. Based on the current schedule, the Corporation expects its internal business systems to be functioning properly with respect to the Y2K issue before January 1, 2000.

Additionally, significant service providers, vendors, suppliers and customers that are believed to be critical to on-going business operations have been identified and contacted in an attempt to ascertain their stage of readiness. Where necessary, the Corporation intends to seek alternative suppliers, service providers or contractors who have demonstrated Y2K readiness. Concurrently, with the Y2K readiness measures described above, the Corporation and its operating units are developing contingency plans intended to mitigate the possible disruption in business operations that may result from the Y2K issue and are developing cost estimates for such plans. Based on the current schedule, the Corporation expects such plans to be in place by the end of the third quarter of 1999.

It is currently estimated that the incremental costs of the Corporation's Y2K remediation efforts will be approximately $.5 million of which approximately $.3 million has been spent. Remediation costs are being expensed as they are incurred. The costs associated with the replacement of computerized systems and hardware are currently estimated to be $.3 million, which amount is being capitalized. These amounts do not include any costs associated with the implementation of contingency plans that are in the process of being developed.

The Corporation's Y2K readiness program is an on-going process and the estimates of costs and completion dates are subject to change.

FORWARD-LOOKING INFORMATION

Except for historical information, this Quarterly Report on Form 10-Q may be deemed to contain "forward looking" information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, earnings or loss per share, investment mix and quality, growth prospects, capital structure and other financial terms, (b) statements of plans and objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward looking information can be identified by the use of forward looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from future results expressed or implied by such forward looking information. Such statements in this Report include, without limitation, those contained in Part I, Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations and the Notes to the Consolidated Financial Statements including, without limitation, the Environmental Matters Note. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, (i) a reduction in anticipated orders; (ii) an economic downturn; (iii) unanticipated environmental remediation expenses or claims; (iv) changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations; (v) changes in the competitive marketplace and/or customer requirements; (vi) an inability to perform customer contracts at anticipated cost levels and (vii) other factors that generally affect the business of companies operating in the Corporation's Segments.

PART II - OTHER INFORMATION

Item 6. EXHIBITS and REPORTS on FORM 8-K

(a) Exhibits

Exhibit 27 - Financial Data Schedules (Page 18)

(b) Reports on Form 8-K

The Registrant did not file any report on Form 8-K during the quarter ended June 30, 1999.

On August 2, 1999, the Registrant filed a Form 8-K regarding the signing of a definitive asset purchase agreement to acquire the Pressure Relief Valve (PRV) and Vehicle Control Valve and Pump (VCP) business units of Teledyne Fluid Systems, an Allegheny Teledyne Incorporated company, for a purchase price of approximately $44 million.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

CURTISS-WRIGHT CORPORATION
(Registrant)

By: /s/ Robert A. Bosi

Robert A. Bosi
Vice President-Finance

By: /s/ Kenneth P.Slezak

Kenneth P. Slezak
Controller

Dated: August 4, 1999

ARTICLE 5

MULTIPLIER: 1000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1999
PERIOD END	JUN 30 1999
CASH	13,379
SECURITIES	50,557
RECEIVABLES	63,378
ALLOWANCES	1,946
INVENTORY	55,953
CURRENT ASSETS	191,623
PP&E	251,878
DEPRECIATION	165,342
TOTAL ASSETS	361,582
CURRENT LIABILITIES	67,271
BONDS	20,162
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	15,000
OTHER SE	224,218
TOTAL LIABILITY AND EQUITY	361,582
SALES	140,545
TOTAL REVENUES	146,813
CGS	90,847
TOTAL COSTS	119,850
OTHER EXPENSES	337
LOSS PROVISION	0
INTEREST EXPENSE	630
INCOME PRETAX	25,996
INCOME TAX	9,735
INCOME CONTINUING	16,261
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	16,261
EPS BASIC	1.60
EPS DILUTED	1.57

End of Filing