

CURTISS WRIGHT CORP

FORM 10-Q (Quarterly Report)

Filed 8/9/2005 For Period Ending 6/30/2005

| | |
|-------------|---|
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| Sector | Capital Goods |
| Fiscal Year | 12/31 |

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UNITED STATES
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, 2005
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.)

4 Becker Farm Road
Roseland, New Jersey
(Address of principal executive offices)

07068
(Zip Code)

(973) 597-4700
(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 S No £

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes S 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: 21,674,511 shares (as of July 29, 2005).

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

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

(In thousands except per share data)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|------------|------------------------------|------------|
| | 2005 | 2004 | 2005 | 2004 |
| Net sales | \$ 283,193 | \$ 222,428 | \$ 541,680 | \$ 437,361 |
| Cost of sales | 182,894 | 146,406 | 355,612 | 289,744 |
| Gross profit | 100,299 | 76,022 | 186,068 | 147,617 |
| Research and development expenses | 11,580 | 7,754 | 21,808 | 15,966 |
| Selling expenses | 17,971 | 14,743 | 34,895 | 27,347 |
| General and administrative expenses | 36,501 | 27,789 | 69,969 | 53,038 |
| Environmental remediation and administrative expenses | 573 | 51 | 656 | 291 |
| Pension expense | 500 | 42 | 1,000 | 82 |
| (Gain) loss on sale of real estate and fixed assets | (12) | 230 | (2,925) | 317 |
| Operating income | 33,186 | 25,413 | 60,665 | 50,576 |
| Other (expense) income, net | (576) | 523 | (700) | 121 |
| Interest expense | (4,778) | (3,018) | (9,081) | (5,283) |
| Earnings before income taxes | 27,832 | 22,918 | 50,884 | 45,414 |
| Provision for income taxes | 9,898 | 8,594 | 18,427 | 15,481 |
| Net earnings | \$ 17,934 | \$ 14,324 | \$ 32,457 | \$ 29,933 |
| Basic earnings per share | \$ 0.83 | \$ 0.68 | \$ 1.51 | \$ 1.42 |
| Diluted earnings per share | \$ 0.82 | \$ 0.67 | \$ 1.49 | \$ 1.40 |
| Dividends per share | \$ 0.09 | \$ 0.09 | \$ 0.18 | \$ 0.18 |
| Weighted average shares outstanding: | | | | |
| Basic | 21,608 | 21,136 | 21,557 | 21,013 |
| Diluted | 21,888 | 21,460 | 21,844 | 21,330 |

See notes to consolidated financial statements

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

| | <u>June 30,</u> <u>2005</u> | <u>December 31,</u> <u>2004</u> |
|--|--------------------------------|------------------------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 47,983 | \$ 41,038 |
| Receivables, net | 243,138 | 214,084 |
| Inventories, net | 137,370 | 115,979 |
| Deferred tax assets, net | 26,123 | 25,693 |
| Other current assets | 10,416 | 12,460 |
| | <hr/> | <hr/> |
| Total current assets | 465,030 | 409,254 |
| | <hr/> | <hr/> |
| Property, plant and equipment, net | 267,619 | 265,243 |
| Prepaid pension costs | 76,865 | 77,802 |
| Goodwill | 388,132 | 364,313 |
| Other intangible assets, net | 152,111 | 140,369 |
| Other assets | 17,542 | 21,459 |
| | <hr/> | <hr/> |
| Total Assets | \$ 1,367,299 | \$ 1,278,440 |
| | <hr/> | <hr/> |
| Liabilities | | |
| Current Liabilities: | | |
| Short-term debt | \$ 934 | \$ 1,630 |
| Dividends payable | 1,948 | — |
| Accounts payable | 64,678 | 65,364 |
| Accrued expenses | 62,054 | 63,413 |
| Income taxes payable | 12,517 | 13,895 |
| Other current liabilities | 49,818 | 52,793 |
| | <hr/> | <hr/> |
| Total current liabilities | 191,949 | 197,095 |
| | <hr/> | <hr/> |
| Long-term debt | 402,561 | 340,860 |
| Deferred tax liabilities, net | 48,317 | 40,043 |
| Accrued pension and other postretirement benefit costs | 81,545 | 80,612 |
| Long-term portion of environmental reserves | 24,282 | 23,356 |
| Other liabilities | 23,267 | 20,860 |
| | <hr/> | <hr/> |
| Total Liabilities | 771,921 | 702,826 |
| | <hr/> | <hr/> |
| Stockholders' Equity | | |
| Common stock, \$1 par value | 25,447 | 16,646 |
| Class B common stock, \$1 par value | — | 8,765 |
| Additional paid-in capital | 57,360 | 55,885 |
| Retained earnings | 629,636 | 601,070 |
| Unearned portion of restricted stock | (23) | (34) |
| Accumulated other comprehensive income | 21,311 | 36,797 |
| | <hr/> | <hr/> |
| | 733,731 | 719,129 |
| Less: Cost of treasury stock | (138,353) | (143,515) |
| | <hr/> | <hr/> |
| Total Stockholders' Equity | 595,378 | 575,614 |
| | <hr/> | <hr/> |
| Total Liabilities and Stockholders' Equity | \$ 1,367,299 | \$ 1,278,440 |
| | <hr/> | <hr/> |

See notes to consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

| | Six Months Ended June 30, | |
|---|------------------------------|------------|
| | 2005 | 2004 |
| Cash flows from operating activities: | | |
| Net earnings | \$ 32,457 | \$ 29,933 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 23,777 | 20,423 |
| (Gain) loss on sale of real estate and fixed assets | (2,925) | 317 |
| Non-cash pension expense | 1,000 | 82 |
| Deferred income taxes | (1,158) | (1,807) |
| Changes in operating assets and liabilities, net of businesses acquired: | | |
| Increase in receivables | (10,070) | (10,358) |
| Increase in inventories | (17,375) | (2,242) |
| Increase (decrease) in progress payments | 477 | (5,657) |
| (Decrease) increase in accounts payable and accrued expenses | (1,937) | 3,764 |
| (Decrease) increase in deferred revenue | (888) | 2,573 |
| Increase (decrease) in income taxes payable | 829 | (1,883) |
| Decrease (increase) in other assets | 933 | (435) |
| Increase (decrease) in other liabilities | 2,108 | (684) |
| Total adjustments | (5,229) | 4,093 |
| Net cash provided by operating activities | 27,228 | 34,026 |
| Cash flows from investing activities: | | |
| Proceeds from sales of capital assets | 11,020 | 1,246 |
| Acquisitions of intangible assets | (255) | (1,525) |
| Additions to property, plant and equipment | (22,032) | (13,746) |
| Acquisition of new businesses | (68,942) | (163,811) |
| Net cash used for investing activities | (80,209) | (177,836) |
| Cash flows from financing activities: | | |
| Proceeds from issuance of debt | 255,000 | 198,005 |
| Principal payments on debt | (195,226) | (119,075) |
| Proceeds from exercise of stock options | 4,815 | 4,952 |
| Dividends paid | (1,943) | (1,890) |
| Net cash provided by financing activities | 62,646 | 81,992 |
| Effect of foreign currency | (2,720) | (24) |
| Net increase (decrease) in cash and cash equivalents | 6,945 | (61,842) |
| Cash and cash equivalents at beginning of period | 41,038 | 98,672 |
| Cash and cash equivalents at end of period | \$ 47,983 | \$ 36,830 |
| Supplemental disclosure of investing activities: | | |
| Fair value of assets acquired from current year acquisitions | \$ 82,494 | \$ 193,043 |
| Additional consideration paid for previous years' acquisitions | 6,384 | 1,707 |

| | | |
|---|-------------------|-------------------|
| Fair value of Common Stock issued as consideration for acquisitions | — | (13,000) |
| Liabilities assumed from current year acquisitions | (19,716) | (15,611) |
| Cash acquired from current year acquisitions | (220) | (2,328) |
| | <u> </u> | <u> </u> |
| Net cash paid for acquisitions | \$ 68,942 | \$ 163,811 |
| | <u> </u> | <u> </u> |

See notes to consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands)

| | Common Stock | Class B Common Stock | Additional Paid in Capital | Retained Earnings | Unearned Portion of Restricted Stock Awards | Accumulated Other Comprehensive Income | Treasury Stock |
|---|------------------|----------------------------|----------------------------------|----------------------|---|---|--------------------|
| December 31, 2003 | \$ 16,611 | \$ 8,765 | \$ 52,998 | \$543,670 | \$ (55) | \$ 22,634 | \$(165,742) |
| Net earnings | — | — | — | 65,066 | — | — | — |
| Translation adjustments, net | — | — | — | — | — | 14,163 | — |
| Dividends | — | — | — | (7,666) | — | — | — |
| Stock options exercised, net | — | — | (1,748) | — | — | — | 11,345 |
| Stock issued under employee stock purchase plan, net | 35 | — | 1,358 | — | — | — | — |
| Equity issued in connection with acquisitions | — | — | 3,259 | — | — | — | 10,741 |
| Other | — | — | 18 | — | 21 | — | 141 |
| December 31, 2004 | <u>16,646</u> | <u>8,765</u> | <u>55,885</u> | <u>601,070</u> | <u>(34)</u> | <u>36,797</u> | <u>(143,515)</u> |
| Net earnings | — | — | — | 32,457 | — | — | — |
| Translation adjustments, net | — | — | — | — | — | (15,486) | — |
| Dividends | — | — | — | (3,891) | — | — | — |
| Stock options exercised, net | — | — | (205) | — | — | — | 5,114 |
| Stock issued under employee stock purchase plan, net | 36 | — | 1,701 | — | — | — | — |
| Recapitalization | 8,765 | (8,765) | — | — | — | — | — |
| Other | — | — | (21) | — | 11 | — | 48 |
| June 30, 2005 | <u>\$ 25,447</u> | <u>\$ —</u> | <u>\$ 57,360</u> | <u>\$629,636</u> | <u>\$ (23)</u> | <u>\$ 21,311</u> | <u>\$(138,353)</u> |

See notes to consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS of PRESENTATION

Curtiss-Wright Corporation and its subsidiaries (the "Corporation") is a diversified multinational provider of highly engineered products and services for high performance platforms. The Corporation provides products and services to a number of global markets, such as defense, commercial aerospace, nuclear power generation, oil and gas, automotive, and general industrial markets. Operations are conducted through 33 manufacturing facilities, 56 metal treatment service facilities, and 2 aerospace component overhaul and repair locations.

The unaudited consolidated financial statements include the accounts of Curtiss-Wright Corporation and its majority-owned subsidiaries. All material intercompany transactions and accounts have been eliminated.

The unaudited consolidated financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America and such preparation requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenue, and expenses and disclosure of contingent assets and liabilities in the accompanying financial statements. The most significant of these estimates include the costs to complete long-term contracts under the percentage of completion accounting method, the useful lives for property, plant, and equipment, cash flows used for testing the recoverability of assets, pension plan and postretirement obligation assumptions, amount of inventory obsolescence, valuation of intangible assets, warranty reserves, and future environmental costs. Actual results may differ from these estimates. In the opinion of management, all adjustments considered necessary for a fair presentation have been reflected in these financial statements.

The unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Corporation's 2004 Annual Report on Form 10-K. The results of operations for interim periods are not necessarily indicative of trends or of the operating results for a full year.

Certain prior year information has been reclassified to conform to current presentation.

2. CHANGES IN CAPITAL STRUCTURE

On May 24, 2005, the Corporation completed a recapitalization that resulted in the combination of the Corporation's two classes of common stock into a single new class by converting all outstanding shares of Common stock and Class B common stock into a single new class of common stock. The recapitalization was accomplished through a merger of a wholly owned subsidiary into the Corporation, in which the outstanding shares of Common stock and Class B common stock were exchanged for shares of the single class of Common stock. The ownership of the Corporation's new class of Common stock was the same immediately after the merger as it was immediately prior. As of June 30, 2005, there were 21,618,218 shares outstanding of Common stock.

In addition to the recapitalization, in May 2005, shareholders approved a proposal to increase the number shares of Common stock authorized for issuance from 45 million shares to 100 million shares.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

3. ACQUISITIONS

The Corporation acquired one business during the six months ended June 30, 2005, as described in more detail below. The acquisition has been accounted for as a purchase with the excess of the purchase price over the estimated fair value of the net tangible and intangible assets acquired recorded as goodwill. The Corporation makes preliminary estimates of the purchase price allocations, including the value of identifiable intangibles with a finite life, and records amortization based upon the estimated useful life of those intangible assets identified. The Corporation will adjust these estimates based upon analysis of third party appraisals, when deemed appropriate, and the determination of fair value when finalized, within twelve months from acquisition.

The following unaudited pro forma financial information shows the results of operations for the three months and six months ended June 30, 2005 and 2004, as though the 2004 and 2005 acquisitions had occurred on January 1, 2004. The unaudited pro forma presentation reflects adjustments for (i) the amortization of acquired intangible assets, (ii) depreciation of fixed assets at their acquired fair values, (iii) additional interest expense on acquisition-related borrowings, (iv) the issuance of stock as consideration, (v) the income tax effect on the pro forma adjustments, using local statutory rates, and (vi) costs of the acquired businesses incurred as a result of the acquisition. The pro forma adjustments related to certain acquisitions are based on preliminary purchase price allocations. Differences between the preliminary and final purchase price allocations could have a significant impact on the unaudited pro forma financial information presented. The unaudited pro forma financial information below is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved had the acquisitions been completed as of the date indicated above or the results that may be obtained in the future.

| | <i>(In thousands, except per share amounts)</i> | | | |
|----------------------------|---|------------|------------------|------------|
| | Three Months Ended | | Six Months Ended | |
| | June 30, | | June 30, | |
| | 2005 | 2004 | 2005 | 2004 |
| Revenue | \$ 283,193 | \$ 252,570 | \$ 546,132 | \$ 503,820 |
| Net earnings | 17,934 | 14,815 | 31,967 | 30,476 |
| Diluted earnings per share | 0.82 | 0.68 | 1.46 | 1.41 |

Please refer to the Corporation's 2004 Annual Report on Form 10-K for more detail on the 2004 acquisitions. The results of the acquired business have been included in the consolidated financial results of the Corporation from the date of acquisition in the segment indicated as follows:

Motion Control Segment

Indal Technologies, Inc.

On March 1, 2005, the Corporation acquired the outstanding stock of the parent corporation of Indal Technologies, Inc. ("Indal"). The purchase price was 78.0 million Canadian dollars (\$62.8 million) in cash and was funded from credit available under the Corporation's revolving credit facilities.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

The purchase price of the acquisition has been preliminarily allocated to the net tangible and intangible assets acquired, with the remainder recorded as goodwill, on the basis of estimated fair values as of June 30, 2005, as follows:

| | <i>(In thousands)</i> |
|---|-----------------------|
| Net working capital | \$ 18,787 |
| Property, plant, and equipment | 6,734 |
| Intangible assets | 17,948 |
| Deferred income tax liabilities | (9,292) |
| | <hr/> |
| Net tangible and intangible assets | 34,177 |
| Purchase price, including capitalized acquisition costs | 62,778 |
| | <hr/> |
| Goodwill | \$ 28,601 |
| | <hr/> |

The estimated excess of the purchase price over the fair value of the net assets acquired is \$29.0 million at June 30, 2005, including foreign currency translation adjustment gains of \$0.4 million. The fair value of the net assets acquired was based on current estimates. The Corporation may adjust these estimates based upon analysis of third party appraisals and the final determination of fair value.

Indal provides shipboard helicopter handling systems for naval applications with a global installed base on over 200 ships, including more than 100 systems deployed in the U.S. Navy. Indal's highly engineered, proprietary products enable helicopters to land aboard naval vessels in rough sea conditions. Indal also designs and manufactures specialized telescopic hangars that provide protection for helicopters aboard ships and cable handling systems for naval sonar applications. Indal is headquartered near Toronto, Ontario, Canada. Revenues of the acquired business were 49.4 million Canadian dollars (\$38.2 million) for the year ended December 31, 2004.

4. RECEIVABLES

Receivables at June 30, 2005 and December 31, 2004 include amounts billed to customers and unbilled charges on long-term contracts consisting of amounts recognized as sales but not billed as of 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:

| | <i>(In thousands)</i> | |
|---|-----------------------|----------------------|
| | June 30, 2005 | December 31, 2004 |
| | <hr/> | <hr/> |
| Billed Receivables: | | |
| Trade and other receivables | \$ 168,532 | \$ 156,891 |
| Less: Allowance for doubtful accounts | (4,088) | (4,011) |
| | <hr/> | <hr/> |
| Net billed receivables | 164,444 | 152,880 |
| | <hr/> | <hr/> |
| Unbilled Receivables: | | |
| Recoverable costs and estimated earnings not billed | 98,278 | 79,156 |
| Less: Progress payments applied | (19,584) | (17,952) |
| | <hr/> | <hr/> |
| Net unbilled receivables | 78,694 | 61,204 |
| | <hr/> | <hr/> |
| Receivables, net | \$ 243,138 | \$ 214,084 |
| | <hr/> | <hr/> |

The net receivable balance at June 30, 2005 included \$19.8 million related to the Corporation's 2005 acquisition.



CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

5. INVENTORIES

In accordance with industry practice, inventoried costs contain amounts relating to long-term contracts and programs with long production cycles, a portion of which will not be realized within one year. Inventories are valued at the lower of cost (principally average cost) or market. The composition of inventories is as follows:

| | <i>(In thousands)</i> | |
|--|-----------------------|----------------------|
| | June 30, 2005 | December 31, 2004 |
| Raw material | \$ 48,893 | \$ 49,616 |
| Work-in-process | 43,235 | 35,157 |
| Finished goods and component parts | 56,523 | 50,117 |
| Inventoried costs related to U.S. Government and other long-term contracts | 26,427 | 19,396 |
| Gross inventories | 175,078 | 154,286 |
| Less: Inventory reserves | (26,832) | (26,276) |
| Progress payments applied, principally related to long-term contracts | (10,876) | (12,031) |
| Inventories, net | <u>\$ 137,370</u> | <u>\$ 115,979</u> |

The net inventory balance at June 30, 2005 included \$5.5 million related to the Corporation's 2005 acquisition.

6. GOODWILL

The Corporation accounts for acquisitions by assigning the purchase price to tangible and intangible assets and liabilities. Assets acquired and liabilities assumed are recorded at their fair values, and the excess of the purchase price over the amounts assigned is recorded as goodwill.

The changes in the carrying amount of goodwill for the six months ended June 30, 2005 are as follows:

| | <i>(In thousands)</i> | | | |
|---|-----------------------|-------------------|--------------------|-------------------|
| | Flow Control | Motion Control | Metal Treatment | Consolidated |
| December 31, 2004 | \$ 115,202 | \$ 228,579 | \$ 20,532 | \$ 364,313 |
| Goodwill from 2005 acquisitions | — | 28,587 | — | 28,587 |
| Change in previous estimates of fair value of net assets acquired | 321 | — | — | 321 |
| Additional consideration of prior years' acquisitions | 177 | 208 | 39 | 424 |
| Currency translation adjustment | (600) | (4,526) | (387) | (5,513) |
| June 30, 2005 | <u>\$ 115,100</u> | <u>\$ 252,848</u> | <u>\$ 20,184</u> | <u>\$ 388,132</u> |

The purchase price allocations relating to one of the businesses acquired during the twelve months ended June 30, 2005 is based on estimates and has not yet been finalized.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

7. OTHER INTANGIBLE ASSETS, net

Intangible assets are generally the result of acquisitions and consist primarily of purchased technology, customer related intangibles, trademarks and service marks, and technology licenses. Intangible assets are amortized over useful lives that range between 1 and 20 years.

The following tables present the cumulative composition of the Corporation's intangible assets and include \$9.9 million of indefinite lived intangible assets within other intangible assets for both periods presented.

| <u>June 30, 2005</u> | <u>Gross</u> | <u>(In thousands) Accumulated Amortization</u> | <u>Net</u> |
|------------------------------|-------------------|--|-------------------|
| Developed technology | \$ 85,766 | \$ (9,933) | \$ 75,833 |
| Customer related intangibles | 69,159 | (6,765) | 62,394 |
| Other intangible assets | 16,135 | (2,251) | 13,884 |
| Total | \$ 171,060 | \$ (18,949) | \$ 152,111 |

| <u>December 31, 2004</u> | <u>Gross</u> | <u>(In thousands) Accumulated Amortization</u> | <u>Net</u> |
|------------------------------|-------------------|--|-------------------|
| Developed technology | \$ 75,970 | \$ (7,436) | \$ 68,534 |
| Customer related intangibles | 62,049 | (4,282) | 57,767 |
| Other intangible assets | 15,952 | (1,884) | 14,068 |
| Total | \$ 153,971 | \$ (13,602) | \$ 140,369 |

The following table presents the changes in the net balance of intangibles assets during the six months ended June 30, 2005.

| | <i>(In thousands)</i> | | | |
|--|---------------------------------|--|------------------------------------|-------------------|
| | Developed technology, net | Customer Related Intangibles, net | Other Intangible Assets, net | Total |
| December 31, 2004 | \$ 68,534 | \$ 57,767 | \$ 14,068 | \$ 140,369 |
| Acquired during 2005 | 10,769 | 7,179 | 255 | 18,203 |
| Amortization expense | (2,737) | (2,502) | (375) | (5,614) |
| Net currency translation adjustment | (733) | (50) | (64) | (847) |
| June 30, 2005 | \$ 75,833 | \$ 62,394 | \$ 13,884 | \$ 152,111 |

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

8. WARRANTY RESERVES

The Corporation provides its customers with warranties on certain commercial and governmental products. Estimated warranty costs are charged to expense in the period the related revenue is recognized based on quantitative historical experience. Estimated warranty costs are reduced as these costs are incurred and as the warranty period expires and may be otherwise modified as specific product performance issues are identified and resolved. Warranty reserves are included within other current liabilities on the Corporation's Consolidated Balance Sheets. The following table presents the changes in the Corporation's warranty reserves:

| | <i>(In thousands)</i> | |
|--|------------------------------|------------------|
| | Six Months Ended June 30, | |
| | 2005 | 2004 |
| Warranty reserves at January 1, | \$ 9,667 | \$ 10,011 |
| Increase due to acquisitions | 1,796 | 875 |
| Provision for current year sales | 1,531 | 1,105 |
| Current year claims | (1,271) | (842) |
| Change in estimates to pre-existing warranties | (727) | (849) |
| Foreign currency translation adjustment | (397) | 33 |
| Warranty reserves at June 30, | <u>\$ 10,599</u> | <u>\$ 10,333</u> |

9. DEBT

Debt at June 30, 2005 and December 31, 2004 consists of the following:

| | <i>(In thousands)</i> | |
|--|-----------------------|----------------------|
| | June 30, 2005 | December 31, 2004 |
| Industrial Revenue Bonds, due through 2028 | \$ 14,268 | \$ 14,296 |
| Revolving Credit Agreement, due 2009 | 185,000 | 124,500 |
| Senior Notes due 2010 | 75,377 | 75,329 |
| Senior Notes due 2013 | 127,975 | 126,793 |
| Other debt | 875 | 1,572 |
| Total debt | <u>403,495</u> | <u>342,490</u> |
| Less: Short-term debt | 934 | 1,630 |
| Total Long-term debt | <u>\$ 402,561</u> | <u>\$ 340,860</u> |

The weighted average net interest rate per annum for the Corporation was 4.5% and 3.7% for the three months ended June 30, 2005 and June 30, 2004, respectively. The weighted average net interest rate per annum for the Corporation was 4.4% and 3.6% for the six months ended June 30, 2005 and June 30, 2004, respectively.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

The estimated fair values of the Corporation's debt instruments at June 30, 2005 aggregated \$408.5 million compared to a carrying value of \$403.5 million. The carrying amount of the variable interest rate long-term debt approximates fair value because the interest rates are reset periodically to reflect current market conditions. Fair values for the Corporation's fixed rate debt were estimated utilizing valuations provided by third parties in accordance with their proprietary models. The carrying amount of the interest rate swaps reflects their fair value as provided by third parties in accordance with their proprietary models.

10. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

Pension Plans

The components of net periodic pension cost (benefit) for the three months ended June 30, 2005 and 2004 were:

| | <i>(In thousands)</i> | | | |
|---------------------------------------|-----------------------|------------------|------------------|------------------|
| | Curtiss-Wright Plans | | EMD Plans | |
| | June 30, 2005 | June 30, 2004 | June 30, 2005 | June 30, 2004 |
| Service cost | \$ 2,595 | \$ 2,318 | \$ 924 | \$ 841 |
| Interest cost | 1,992 | 1,956 | 2,064 | 1,999 |
| Expected return on plan assets | (4,123) | (4,255) | (1,946) | (2,022) |
| Amortization of prior service cost | 30 | 22 | — | — |
| Amortization of net loss | 7 | 2 | — | — |
| Amortization of transition obligation | (1) | (1) | — | — |
| Net periodic benefit cost | \$ 500 | \$ 42 | \$ 1,042 | \$ 818 |

The components of net periodic pension cost (benefit) for the six months ended June 30, 2005 and 2004 were:

| | <i>(In thousands)</i> | | | |
|---------------------------------------|-----------------------|------------------|------------------|------------------|
| | Curtiss-Wright Plans | | EMD Plans | |
| | June 30, 2005 | June 30, 2004 | June 30, 2005 | June 30, 2004 |
| Service cost | \$ 5,190 | \$ 4,636 | \$ 1,848 | \$ 1,682 |
| Interest cost | 3,984 | 3,910 | 4,128 | 3,998 |
| Expected return on plan assets | (8,246) | (8,510) | (3,892) | (4,044) |
| Amortization of prior service cost | 60 | 44 | — | — |
| Amortization of net loss | 14 | 4 | — | — |
| Amortization of transition obligation | (2) | (2) | — | — |
| Net periodic benefit cost | \$ 1,000 | \$ 82 | \$ 2,084 | \$ 1,636 |

During the six months ended June 30, 2005, the Corporation has paid zero and \$2.2 million to the Curtiss-Wright and EMD pension plans, respectively. During 2005, the Corporation anticipates contributing \$10.1 million to the EMD Pension Plan. No contributions to the Curtiss-Wright Pension Plan are anticipated in 2005, due to its funded status.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

Other Postretirement Benefit Plans

The components of the net postretirement benefit cost for the three months ended June 30, 2005 and 2004 were:

| | <i>(In thousands)</i> | | | |
|---|-----------------------|------------------|------------------|------------------|
| | Curtiss-Wright Plan | | EMD Plan | |
| | June 30, 2005 | June 30, 2004 | June 30, 2005 | June 30, 2004 |
| Service cost | \$ — | \$ — | \$ 190 | \$ 219 |
| Interest cost | 7 | 8 | 554 | 616 |
| Amortization of net (gain) loss | (14) | (15) | — | — |
| Net periodic benefit (income) cost | \$ (7) | \$ (7) | \$ 744 | \$ 835 |

The components of the net postretirement benefit cost for the six months ended June 30, 2005 and 2004 were:

| | <i>(In thousands)</i> | | | |
|---|-----------------------|------------------|------------------|------------------|
| | Curtiss-Wright Plan | | EMD Plan | |
| | June 30, 2005 | June 30, 2004 | June 30, 2005 | June 30, 2004 |
| Service cost | \$ — | \$ — | \$ 381 | \$ 438 |
| Interest cost | 14 | 16 | 1,106 | 1,233 |
| Amortization of net (gain) loss | (29) | (30) | — | — |
| Net periodic benefit (income) cost | \$ (15) | \$ (14) | \$ 1,487 | \$ 1,671 |

During the six months ended June 30, 2005, the Corporation has paid zero and \$0.9 million on the Curtiss-Wright and EMD post-retirement plans, respectively. During 2005, the Corporation anticipates contributing \$0.1 million and \$1.7 million to the post-retirement plans, respectively.

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 was signed into law on December 8, 2003. In accordance with FASB Staff Position FAS 106-1, the Corporation made a one-time election to defer recognition of the effects of the law in the accounting for its plan under FAS 106 and in providing disclosures related to the plan until authoritative guidance on the accounting for the federal prescription drug subsidy is issued. Regulations regarding the implementation of the Act were finalized in February of 2005 and the Corporation concluded that the prescription drug benefits offered under this plan are not actuarially equivalent to Medicare Part D under the Act. Therefore, in accordance with FASB Staff Position FAS 106-2, any measures of the Accumulated Postretirement Benefit Obligation or Net Periodic Postretirement Benefit Cost reflect the effects of the Act on the plan.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

11. EARNINGS PER SHARE

Diluted earnings per share were computed based on the weighted average number of shares outstanding plus all potentially dilutive common shares. A reconciliation of basic to diluted shares used in the earnings per share calculation is as follows:

| | <i>(In thousands)</i> | | | |
|--|--------------------------------|--------|------------------------------|--------|
| | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | 2005 | 2004 | 2005 | 2004 |
| Basic weighted average shares outstanding | 21,608 | 21,136 | 21,557 | 21,013 |
| Dilutive effect of stock options and deferred stock compensation | 280 | 324 | 287 | 317 |
| Diluted weighted average shares outstanding | 21,888 | 21,460 | 21,844 | 21,330 |

At June 30, 2005 the Corporation had 125,000 stock options outstanding that could potentially dilute basic EPS in the future but were excluded from the computation of diluted EPS for the three and six months ended June 30, 2005 as they would have been antidilutive for those periods. There were no antidilutive shares for the three and six months ended June 30, 2004.

12. STOCK COMPENSATION PLANS

In accordance with SFAS No. 123, "Accounting for Stock-Based Compensation", the Corporation elected to account for its stock-based compensation using the intrinsic value method under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees". As such, the Corporation does not recognize compensation expense on non-qualified stock options granted to employees under the Corporation's 1995 Long-Term Incentive Plan ("LTI Plan") when the exercise price of the options is equal to the market price of the underlying stock on the date of the grant or on non-qualified stock options granted under the Corporation's Employee Stock Purchase Plan ("ESPP").

Pro forma information regarding net earnings and earnings per share is required by SFAS No. 123, as amended, and has been determined as if the Corporation had accounted for its employee stock option grants under the fair value method prescribed by that Statement. Information with regard to the number of options granted, market price of the grants, vesting requirements, the maximum term of the options granted by plan type, risk-free interest rate, the expected volatility, the expected dividend yield, the weighted-average option life, and the weighted-average grant-date fair value of options is included in the Corporation's 2004 Annual Report on Form 10-K.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

The Corporation's pro forma results are as follows:

| | <i>(In thousands, except per share data)</i> | | | |
|---|--|-------------------|------------------------------|-------------------|
| | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | 2005 | 2004 | 2005 | 2004 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net earnings, as reported | \$ 17,934 | \$ 14,324 | \$ 32,457 | \$ 29,933 |
| Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects | (631) | (306) | (1,199) | (613) |
| Pro forma net earnings | <u>\$ 17,303</u> | <u>\$ 14,018</u> | <u>\$ 31,258</u> | <u>\$ 29,320</u> |
| Net earnings per share: | | | | |
| As reported: | | | | |
| Basic | \$ 0.83 | \$ 0.68 | \$ 1.51 | \$ 1.42 |
| Diluted | \$ 0.82 | \$ 0.67 | \$ 1.49 | \$ 1.40 |
| Pro forma: | | | | |
| Basic | \$ 0.80 | \$ 0.66 | \$ 1.45 | \$ 1.39 |
| Diluted | \$ 0.79 | \$ 0.65 | \$ 1.43 | \$ 1.37 |

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("FAS 123(R)"). This Statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. Employee share purchase plans will not result in recognition of compensation cost if certain conditions are met; those conditions are much the same as the related conditions in FAS 123. This Statement is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. On April 14, 2005 the U.S. Securities and Exchange Commission announced a deferral of the effective date of FAS 123(R) until January 1, 2006 for calendar year companies. The Corporation has not yet determined the impact of this pronouncement.

13. ENVIRONMENTAL MATTERS

The environmental obligation at June 30, 2005 was \$26.1 million compared to \$25.2 million at December 31, 2004. Approximately 80% of the Corporation's environmental reserves as of June 30, 2005 and December 31, 2004 represent the current value of anticipated remediation costs and are not discounted primarily due to the uncertainty of timing of expenditures. The remaining environmental reserves are discounted using a rate of 4% to reflect the time value of money since the amount and timing of cash payments for the liability are reliably determinable. All environmental reserves exclude any potential recovery from insurance carriers or third-party legal actions.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

In the first quarter of 2005, the Corporation sold its Fairfield, New Jersey non-operating property, which was formerly an operating facility for the Corporation's Motion Control segment. Under the sale agreement, the Corporation has retained the responsibility to continue the ongoing environmental remediation on the property. At the date of the sale, remediation costs associated with the Fairfield site were anticipated to be incurred over three to five years with an estimated cost of \$1.5 million. As of June 30, 2005, \$0.1 million of costs have been incurred.

14. SEGMENT INFORMATION

The Corporation manages and evaluates its operations based on the products and services it offers and the different markets it serves. Based on this approach, the Corporation has three reportable segments: Flow Control, Motion Control, and Metal Treatment.

(In thousands)
Three Months Ended June 30, 2005

| | <u>Flow Control</u> | <u>Motion Control</u> | <u>Metal Treatment</u> | <u>Segment Totals</u> | <u>Corporate & Other</u> | <u>Consolidated Totals</u> |
|---------------------------------|-------------------------|---------------------------|----------------------------|---------------------------|----------------------------------|--------------------------------|
| Revenue from external customers | \$ 114,324 | \$ 117,854 | \$ 51,015 | \$ 283,193 | \$ — | \$ 283,193 |
| Intersegment revenues | — | 155 | 130 | 285 | (285) | — |
| Operating income | 12,756 | 12,738 | 9,112 | 34,606 | (1,420) | 33,186 |

(In thousands)
Three Months Ended June 30, 2004

| | <u>Flow Control</u> | <u>Motion Control</u> | <u>Metal Treatment</u> | <u>Segment Totals</u> | <u>Corporate & Other</u> | <u>Consolidated Totals</u> |
|---------------------------------|-------------------------|---------------------------|----------------------------|---------------------------|----------------------------------|--------------------------------|
| Revenue from external customers | \$ 86,205 | \$ 91,578 | \$ 44,645 | \$ 222,428 | \$ — | \$ 222,428 |
| Intersegment revenues | — | — | 89 | 89 | (89) | — |
| Operating income | 8,654 | 10,025 | 7,439 | 26,118 | (705) | 25,413 |

(In thousands)
Six Months Ended June 30, 2005

| | <u>Flow Control</u> | <u>Motion Control</u> | <u>Metal Treatment</u> | <u>Segment Totals</u> | <u>Corporate & Other</u> | <u>Consolidated Totals</u> |
|---------------------------------|-------------------------|---------------------------|----------------------------|---------------------------|----------------------------------|--------------------------------|
| Revenue from external customers | \$ 223,737 | \$ 217,938 | \$ 100,005 | \$ 541,680 | \$ — | \$ 541,680 |
| Intersegment revenues | — | 276 | 238 | 514 | (514) | — |
| Operating income | 23,105 | 19,128 | 16,929 | 59,162 | 1,503 | 60,665 |

(In thousands)
Six Months Ended June 30, 2004

| | <u>Flow Control</u> | <u>Motion Control</u> | <u>Metal Treatment</u> | <u>Segment Totals</u> | <u>Corporate & Other</u> | <u>Consolidated Totals</u> |
|---------------------------------|-------------------------|---------------------------|----------------------------|---------------------------|----------------------------------|--------------------------------|
| Revenue from external customers | \$ 175,600 | \$ 174,922 | \$ 86,839 | \$ 437,361 | \$ — | \$ 437,361 |
| Intersegment revenues | — | — | 273 | 273 | (273) | — |
| Operating income | 19,085 | 18,314 | 14,016 | 51,415 | (839) | 50,576 |

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

| | <i>(In thousands)</i> | | | | | Consolidated Totals |
|-------------------|----------------------------|-------------------|--------------------|-------------------|----------------------|------------------------|
| | <u>Identifiable Assets</u> | | | | | |
| | Flow Control | Motion Control | Metal Treatment | Segment Totals | Corporate & Other | |
| June 30, 2005 | \$418,118 | \$658,922 | \$ 199,013 | \$1,276,053 | \$ 91,246 | \$ 1,367,299 |
| December 31, 2004 | 415,504 | 576,275 | 194,783 | 1,186,562 | 91,878 | 1,278,440 |

Adjustments to reconcile to earnings before income taxes:

| | <i>(In thousands)</i> | | <i>(In thousands)</i> | |
|--|--------------------------------|------------------|------------------------------|------------------|
| | Three months ended June 30, | | Six months ended June 30, | |
| | 2005 | 2004 | 2005 | 2004 |
| Total segment operating income | \$ 34,606 | \$ 26,118 | \$ 59,162 | \$ 51,415 |
| Corporate and administrative | (1,420) | (705) | (1,256) | (839) |
| Gain (loss) on sale of Corporate real estate and fixed assets | — | — | 2,759 | — |
| Other income (expense), net | (576) | 523 | (700) | 121 |
| Interest expense | (4,778) | (3,018) | (9,081) | (5,283) |
| Earnings before income taxes | <u>\$ 27,832</u> | <u>\$ 22,918</u> | <u>\$ 50,884</u> | <u>\$ 45,414</u> |

15. (GAIN) LOSS ON SALE OF REAL ESTATE AND FIXED ASSETS

On March 17, 2005, the Corporation completed the sale of its Fairfield, New Jersey property, a former operating property, for \$10.5 million. The property encompasses approximately 39 acres and was formerly an operating facility for the Company's Motion Control segment now located in Shelby, North Carolina. As a result of the sale, the Corporation recognized a pre-tax gain of \$2.8 million in the first quarter of 2005, which is recorded in operating income in the Corporation's Consolidated Statements of Earnings.

16. COMPREHENSIVE INCOME

Total comprehensive income for the three months and six months ended June 30, 2005 and 2004 are as follows:

| | <i>(In thousands)</i> | | <i>(In thousands)</i> | |
|---|--------------------------------|------------------|------------------------------|------------------|
| | Three months ended June 30, | | Six months ended June 30, | |
| | 2005 | 2004 | 2005 | 2004 |
| Net earnings | \$ 17,934 | \$ 14,324 | \$ 32,457 | \$ 29,933 |
| Equity adjustment from foreign currency translations | (11,694) | (1,168) | (15,486) | (415) |
| Total comprehensive income | <u>\$ 6,240</u> | <u>\$ 13,156</u> | <u>\$ 16,971</u> | <u>\$ 29,518</u> |

The equity adjustment from foreign currency translation represents the effect of translating the assets and liabilities of the Corporation's non-U.S. entities. This amount is impacted year-over-year by foreign currency fluctuations and by the acquisitions of foreign entities.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued
(UNAUDITED)

17. CONTINGENCIES AND COMMITMENTS

The Corporation, through its subsidiary located in Switzerland, entered into a credit agreement with UBS AG ("UBS") for a credit facility in the amount of 6.0 million Swiss francs (\$4.7 million) for the issue of performance guarantees related to long-term contracts. The Corporation received prepayments on these contracts, which are being used as collateral against the credit facility. The customers can draw down on the line of credit for nonperformance up to the amount of pledged collateral, which is released from restriction over time as the Corporation meets its obligations under the long-term contracts. Under the terms of this credit facility agreement, the Corporation is not permitted to borrow against the line of credit. The Corporation is charged a commitment fee on the outstanding balance of the collateralized cash. As of June 30, 2005, the amount of restricted cash under this facility was \$2.7 million, all of which is expected to be released from restriction after one year.

The Corporation has several NRC licenses necessary for the continued operation of the business. In connection with these licenses, the NRC required financial assurance from the Corporation (in the form of a parent company guarantee) representing estimated environmental decommissioning and remediation costs associated with the commercial operations covered by the licenses. The guarantee for costs of decommissioning the facility, which is estimated for 2017, is \$3.1 million.

Consistent with other entities its size, the Corporation is party to a number of legal actions and claims, none of which individually or in the aggregate, in the opinion of management, are expected to have a material adverse effect on the Corporation's results of operations or financial position.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
PART I – ITEM 2
MANAGEMENT’S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS

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, 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 Quarterly Report on Form 10-Q include, without limitation, those contained in (a) Item 1. Financial Statements and (b) Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, the Corporation’s successful execution of internal performance plans; performance issues with key suppliers, subcontractors, and business partners; the ability to negotiate financing arrangements with lenders; legal proceedings; changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation’s operations; ability of outside third parties to comply with their commitments; product demand and market acceptance risks; the effect of economic conditions; the impact of competitive products and pricing; product development, commercialization, and technological difficulties; social and economic conditions and local regulations in the countries in which the Corporation conducts its businesses; unanticipated environmental remediation expenses or claims; capacity and supply constraints or difficulties; an inability to perform customer contracts at anticipated cost levels; changing priorities or reductions in the U.S. Government defense budget; contract continuation and future contract awards; U.S. and international military budget constraints and determinations; the factors discussed under the caption “Risk Factors” in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2004; and other factors that generally affect the business of companies operating in the Corporation’s markets and/or industries.

The Corporation assumes no obligation to update forward-looking statements to reflect actual results or changes in or additions to the factors affecting such forward-looking statements.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

COMPANY ORGANIZATION

The Corporation manages and evaluates its operations based on the products and services it offers and the different markets it serves. Based on this approach, the Corporation has three reportable segments: Flow Control, Motion Control, and Metal Treatment. The Flow Control segment primarily designs, manufactures, distributes, and services a broad range of highly engineered flow-control products. These products are for severe service military and commercial applications including power generation, oil and gas, and general industrial. The Motion Control segment primarily designs, develops, and manufactures high-performance mechanical systems, drive systems, embedded computing solutions, and electronic controls and sensors for the defense, aerospace, and general industrial markets. Metal Treatment provides a variety of metallurgical services, principally shot peening, laser peening, heat treating, and coatings, for various industries, including military and commercial aerospace, automotive, construction equipment, oil and gas, power generation, and general industrial.

RESULTS of OPERATIONS

Analytical definitions

Throughout management's discussion and analysis of financial condition and results of operations, the terms "incremental," "base," and "organic" are used to explain changes from period to period. "Incremental" references are defined as the current period results of acquisitions included in the Corporation's results of operations for which no prior period results exist. Therefore, the results of operations for acquisitions are "incremental" for the first twelve months from the date of acquisition.

For quarterly reporting purposes, acquisitions are segregated from the results of the Corporation's other businesses for a full year, or in the more likely event of a mid-quarter acquisition, 5 quarters. For year to date reporting purposes, acquisitions remain segregated for two years. The remaining businesses are referred to as the "base" businesses, and operations of the base businesses are referred to as "organic." An acquisition is considered base when the reporting period includes fully comparable current and prior period data. Therefore, for the three months and six months ended June 30, 2005, our organic growth excludes the seven acquisitions completed since March 31, 2004, and the twelve acquisitions completed since January 1, 2004, respectively.

Three months ended June 30, 2005

Sales for the second quarter of 2005 totaled \$283.2 million, an increase of 27% from sales of \$222.4 million for the second quarter of 2004. New orders received for the current quarter of \$284.9 million were up 37% over new orders of \$208.1 million for the second quarter of 2004. Acquisitions made since March 31, 2004 contributed \$44.5 million in incremental new orders received in the second quarter of 2005. Backlog increased 18% to \$740.6 million at June 30, 2005 from \$627.7 million at December 31, 2004. The acquisition made during 2005 represented \$48.3 million of the backlog at June 30, 2005. Approximately 70% of our backlog is from military business.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

Sales for the second quarter of 2005 as compared to the same period last year benefited from the acquisitions since March 31, 2004, which contributed \$31.6 million in incremental sales (or 52% of the overall increase) in the second quarter of 2005. The sales for the second quarter of 2005 also benefited from overall organic growth of 12%, with double digit organic growth experienced in all three segments.

The Corporation experienced organic growth in nearly all of its markets, primarily driven by sales to the commercial aerospace and oil and gas markets. Commercial aerospace original equipment manufacturer ("OEM"), spares, and repair and overhaul revenues were up at our Motion Control and Metal Treatment segments, contributing \$7.2 million to the increase over the second quarter of 2004. The Flow Control segment's coker valve product continued to penetrate the oil and gas market, and contributed significantly to the Corporation's \$7.1 million growth in this market. Sales of embedded computing systems from our Motion Control segment was the largest contributor to the \$4.9 million increase in the defense aerospace market while Metal Treatment services provided to the automotive industry drove revenue growth of \$4.0 million in that market. In addition, foreign currency translation favorably impacted sales by \$2.1 million for the quarter ended June 30, 2005, compared to the prior year period.

Operating income for the second quarter of 2005 totaled \$33.2 million, an increase of 31% from operating income of \$25.4 million for the same period last year. The increase is primarily attributable to the higher sales volumes, favorable sales mix, and previously implemented cost reduction initiatives, which resulted in 24% overall organic operating income growth. All three segments realized organic operating income growth in excess of 20%, led by the Flow Control segment at 28%. In addition, acquisitions since March 31, 2004 contributed \$1.1 million in incremental operating income in the second quarter of 2005. General and administrative costs increased \$8.7 million for the three months ended June 30, 2005 primarily due to the acquisitions since March 31, 2004, which comprised \$6.0 million of the increase period over period. The remaining increase is due to added infrastructure necessary to support our business growth. Research and development costs increased \$3.8 million, mainly due to acquisitions, which represented \$2.1 million of the increase. The reallocation of engineering resources from program specific development work has been the primary driver behind the remaining increase. The higher segment operating income was partially offset by additional pension expense for the second quarter of 2005 of \$0.5 million due to additional service costs resulting from the acquisitions and slightly lower investment returns. Foreign currency translation had a favorable impact of \$0.3 million on operating income for the second quarter of 2005, as compared to the prior year period.

Net earnings for the second quarter of 2005 totaled \$17.9 million, or \$0.82 per diluted share, which represents an increase of 25% over the net earnings for the second quarter of 2004 of \$14.3 million, or \$0.67 per diluted share. Higher segment operating income in the second quarter of 2005 of \$8.5 million more than offset the Corporation's higher pension expense and interest expense as compared to the second quarter of 2004. The higher interest expense for the second quarter of 2005 was due to higher debt levels associated with the funding of the Corporation's acquisition program and higher interest rates.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

Six months ended June 30, 2005

Sales for the first six months of 2005 increased 24% to \$541.7 million, as compared to \$437.4 million for the same period last year. New orders received for the first six months of \$610.8 million, were up 38% over new orders of \$443.5 million for the first six months of 2004. Acquisitions made in 2004 and 2005 contributed \$89.8 million in incremental new orders received in the first six months of 2005.

Acquisitions made in 2004 and 2005 contributed \$67.4 million in incremental sales (or 65% of the total increase) for the six months ended June 30, 2005. Sales for the first six months of 2005 also benefited from overall organic growth of 8%. The organic growth was driven by our Metal Treatment, which experienced organic growth of 13% followed by our Motion Control and Flow Control segments at 8% and 5%, respectively, for the first six months of 2005 over the prior year periods.

In our base businesses, higher sales to the commercial aerospace, oil and gas, and automotive markets contributed \$12.1 million, \$9.6 million, and \$8.1 million, respectively, to the organic growth. Commercial aerospace sales were driven by higher OEM revenue from the Metal Treatment and Motion Control segments for shot-peening work performed on Airbus wing skins and Boeing actuator production, respectively. Increased sales to the oil and gas market were primarily due to the Flow Control segment's coker valve, while metal treatment services provided to the automotive industry was the most significant factor to that market's growth. Favorable foreign currency translation also positively impacted sales for the first six months of 2005 by \$4.3 million, as compared to the same period last year.

Operating income for the first six months of 2005 increased to \$60.7 million, up 20% over the \$50.6 million from the same period last year. The increase is primarily due to the higher sales volumes, favorable mix, and previously implemented cost reduction initiatives. Additionally, the increase included a \$2.8 million gain on the sale of our Fairfield property. Higher operating income from our base businesses, which increased 17% for the first six months of 2005, was driven by strong organic growth in our Metal Treatment and Motion Control segments of 17% and 15%, respectively, over the prior year period. Operating income from the base businesses within our Flow Control segment increased 6% as compared to the prior year period. General and administrative costs increased \$16.9 million for the six months ended June 30, 2005 mainly due to the acquisitions in 2004 and 2005, which comprised \$13.1 million of the increase period over period. The remaining increase is due to added infrastructure necessary to support our business growth. Research and development costs increased \$5.8 million, primarily due to acquisitions, which represented \$5.6 million of the increase. The higher segment operating income was partially offset by higher pension expense of \$0.9 million for the six months ended June 30, 2005 over the comparable prior year period. Foreign currency translation had a favorable impact of \$0.7 million on operating income for the first six months of 2005, as compared to the prior year period.

Net earnings for the first six months of 2005 totaled \$32.5 million, or \$1.49 per diluted share, representing an increase of 8% over net earnings of \$29.9 million, or \$1.40 per diluted share for the first six months of 2004. Net earnings for the first six months of 2004 included a one-time tax benefit of \$1.5 million resulting from a change in legal structure of one of our subsidiaries. The improvements were partially offset by higher interest expense of \$2.4 million, net of tax, in the first half of 2005, which is associated with debt incurred to fund our acquisition program and from higher interest rates.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
MANAGEMENT'S DISCUSSION and ANALYSIS of
FINANCIAL CONDITION and RESULTS of OPERATIONS, continued

Segment Operating Performance:

| | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------|--------------------------------|-------------------|--------------|------------------------------|-------------------|--------------|
| | 2005 | 2004 | % Change | 2005 | 2004 | % Change |
| Sales: | | | | | | |
| Flow Control | \$ 114,324 | \$ 86,205 | 32.6% | \$ 223,737 | \$ 175,600 | 27.4% |
| Motion Control | 117,854 | 91,578 | 28.7% | 217,938 | 174,922 | 24.6% |
| Metal Treatment | 51,015 | 44,645 | 14.3% | 100,005 | 86,839 | 15.2% |
| Total Sales | \$ 283,193 | \$ 222,428 | 27.3% | \$ 541,680 | \$ 437,361 | 23.9% |
| Operating Income: | | | | | | |
| Flow Control | \$ 12,756 | \$ 8,654 | 47.4% | \$ 23,105 | \$ 19,085 | 21.1% |
| Motion Control | 12,738 | 10,025 | 27.1% | 19,128 | 18,314 | 4.4% |
| Metal Treatment | 9,112 | 7,439 | 22.5% | 16,929 | 14,016 | 20.8% |
| Total Segments | 34,606 | 26,118 | 32.5% | 59,162 | 51,415 | 15.1% |
| Pension (Expense)/Income | (500) | (42) | 1090.5% | (1,000) | (82) | 1119.5% |
| Corporate & Other | (920) | (663) | 38.8% | 2,503 | (757) | -430.6% |
| Total Operating Income | \$ 33,186 | \$ 25,413 | 30.6% | \$ 60,665 | \$ 50,576 | 19.9% |
| Operating Margins: | | | | | | |
| Flow Control | 11.2% | 10.0% | | 10.3% | 10.9% | |
| Motion Control | 10.8% | 10.9% | | 8.8% | 10.5% | |
| Metal Treatment | 17.9% | 16.7% | | 16.9% | 16.1% | |
| Total Curtiss-Wright | 11.7% | 11.4% | | 11.2% | 11.6% | |

Flow Control

The Corporation's Flow Control segment posted sales of \$114.3 million for the second quarter of 2005, an increase of 33% from \$86.2 million in the second quarter of 2004, primarily due to the contribution of acquisitions since March 31, 2004, which contributed \$16.6 million in incremental sales (or 59% of the overall increase) in the second quarter of 2005. Organic sales growth was 12% in the second quarter of 2005, driven primarily by a \$6.9 million increase in sales to the oil and gas market, led by higher demand for our coker valve products, which accounted for 65% of the increase, due to greater customer acceptance and increased installations. Other oil and gas valve and field service revenues were up \$2.4 million due to increased maintenance expenditures by refineries. Higher sales of our JP-5 valves and ball valves for use on Nimitz-class aircraft carriers and Virginia-class submarines, respectively, contributed \$2.9 million of the \$4.2 million increase in valve sales to the U.S. Navy. These increased sales were partially offset by lower revenues from electromechanical products to the U.S. Navy of \$3.1 million due to timing of programs requiring more procurement and development in the current period and less production. Revenues from pump production decreased \$6.3 million as compared to the prior year period, while development work on the U.S. Army's electromagnetic gun increased revenues by \$2.5 million and sales for secondary plant propulsion systems increased \$1.6 million. Sales of this business segment also benefited from favorable foreign currency translation of \$0.5 million in the second quarter of 2005 as compared to the prior year period.

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Operating income for the second quarter of 2005 was \$12.8 million, an increase of 47% as compared to \$8.7 million for the same period last year. Acquisitions since March 31, 2004 contributed \$1.1 million of incremental operating income in the second quarter of 2005. The segment achieved organic growth of 28% due to higher sales volume, favorable sales mix, and previously implemented cost control initiatives.

Sales for the first six months of 2005 were \$223.7 million, an increase of 27% over the same period last year of \$175.6 million. The increase was mainly due to the 2004 acquisitions, which contributed \$37.4 million to this segment's sales during the first six months of 2005. The segment also experienced organic growth of 5% in the first six months of 2005 as compared to the prior year period primarily resulting from higher sales to the oil and gas market of \$9.4 million and the commercial power generation market of \$1.7 million. These increases were partially offset by lower overall sales to the United States defense market of \$4.3 million. Revenues derived from the oil and gas market were driven mainly by our coker valve sales, which increased \$6.4 million, as the product continues to gain acceptance in the industry. Other oil and gas valve and field service revenues were up \$3.0 million due to increased maintenance expenditures by refineries in the second quarter of 2005. Commercial power generation revenues are being driven by sales of control drive rod mechanisms to nuclear power plants, which increased \$1.2 million period over period. Sales in this market are generally driven by customer maintenance schedules, which vary in timing and can cause fluctuations from period to period. The reduction in defense revenues was due primarily to a decline in pump and generator sales to the U.S. Navy of \$15.2 million due to timing of programs requiring more procurement and development in the current period and less production. Revenues associated with these products are expected to increase in the second half of 2005 through greater production work on the CVN 21 aircraft carrier and the Virginia-class submarine. The decline in pump and generator sales were mostly offset by increased revenues from development work on the electromagnetic gun, and higher sales of valves and generic electronic products. Development work on the U.S. Army's electromagnetic gun increased revenues by \$5.0 million. The majority of the valve sales increase came from JP-5 valves and ball valves for use on Nimitz-class nuclear aircraft carriers and Virginia-class submarines, respectively, which contributed \$3.8 million in additional sales. Electronic products revenues increased \$2.5 million mainly from sales of generic cards. Sales also benefited from favorable foreign currency translation of \$0.9 million in the first half of 2005, as compared to the same period last year.

Operating income for the first six months of 2005 was \$23.1 million, an increase of 21% over the same period last year of \$19.1 million. The 2004 acquisitions contributed \$2.5 million of incremental operating income to the first six months of 2005. The segment achieved organic growth of 6% due to higher sales volume, overall favorable sales mix, and previously implemented cost control initiatives offset by lower margins on development programs and increased development costs on new products.

New orders received for the Flow Control segment totaled \$127.8 million in the second quarter of 2005 and \$260.5 million for the first six months of 2005, representing an increase of 80% and 40% from the same periods in 2004, respectively. Acquisitions made since March 31, 2004 contributed \$35.4 million in incremental new orders received in the second quarter of 2005. Acquisitions made since January 1, 2004 contributed \$57.5 million in incremental new orders for the first six months of 2005. Backlog increased 9% to \$432.2 million at June 30, 2005 from \$396.3 million at December 31, 2004.

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Motion Control

Sales for the Corporation's Motion Control segment improved 29% to \$117.9 million in the second quarter of 2005 from \$91.6 million in the second quarter of 2004. Acquisitions since March 31, 2004 contributed \$15.0 million in incremental sales (or 58% of the overall increase) for the second quarter of 2005. Organic sales growth was 12% in the second quarter of 2005 mainly due to higher sales of embedded computing products to the defense aerospace market of \$5.7 million, higher sales of OEM and spares products and repair and overhaul services to the commercial aerospace market of \$5.0 million, and higher sales of industrial controller products of \$1.8 million as compared to the prior year period. Embedded computing defense aerospace sales growth was driven by development work on the weapons bay hoist systems for the Joint Unmanned Combat Air System ("J-UCAS") X-45 program and production work on helicopter radar warning systems, which contributed \$1.3 million and \$1.2 million, respectively. Commercial aerospace OEM sales increased \$2.8 million with the main drivers consisting of actuation systems production for Boeing, and increased sales of data recording devices, sensor units, and control electronics. Repair and overhaul sales increased \$1.4 million due to the continuing recovery of the industry, with order increases coming from domestic airlines as they perform previously deferred maintenance. Partially offsetting these increases are lower sales of F-16 spares and lower revenues from tilting train systems in Europe due to expiration of this program in 2004, each of which are down \$1.3 million as compared to the second quarter of 2004. In addition, foreign currency translation favorably impacted sales for the second quarter of 2005 by \$1.0 million, as compared to the prior year period.

Operating income in the second quarter of 2005 was \$12.7 million, an increase of 27% over operating income of \$10.0 million in the second quarter of 2004. The segment's acquisitions since March 31, 2004 did not contribute to the growth in operating income due to lower revenues due primarily to customer delivery requirements and continuing integration costs. Organic operating income growth for the segment was 26%. The increase was driven primarily by higher sales volume and previously implemented cost control initiatives. The improvement was partially offset by less favorable sales mix resulting from decreased higher margin sales, such as the F-16 spares and tilting train program, and higher development work which generate lower margins. The business segment also benefited from favorable foreign currency translation in the second quarter of 2005 of \$0.1 million, as compared to the second quarter of 2004.

Sales for the first six months of 2005 were \$217.9 million, an increase of 25% from sales of \$174.9 during the first six months of 2004, primarily due to the contribution of the 2004 and 2005 acquisitions, which contributed \$28.3 million in incremental sales (or 66% of the overall increase). Organic sales growth was 8% in the first six months of 2005 as compared to 2004, mainly due to higher sales of OEM and spares products and repair and overhaul services to the commercial aerospace market of \$7.4 million, higher sales of embedded computing products to the defense aerospace market of \$6.4 million, higher sales of industrial controller products of \$2.8 as compared to the prior year period. Commercial aerospace OEM sales increased \$3.5 million with the main drivers consisting of actuation systems production for Boeing, and higher sales of our data recording devices, sensor units, and control electronics. Repair and overhaul sales increased \$1.7 million due to the continuing recovery of the industry with order increases coming from domestic airlines as they perform previously deferred maintenance. Embedded computing defense

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aerospace sales growth was driven by production work on helicopter radar warning systems and development work on the weapons bay hoist systems for the J-UCAS, which contributed \$3.1 million and \$1.7 million, respectively. Partially offsetting these increases are lower sales of F-16 spares of \$4.0 million and lower sales of tilting train systems in Europe of \$3.0 million as compared to the first six months of 2004. In addition, foreign currency translation favorably impacted sales for the first six months of 2005 by \$2.0 million, as compared to the prior year period.

Operating income for the first six months of 2005 was \$19.1 million as compared to \$18.3 million for the comparable period in 2004, an increase of 4%. The segment's acquisitions in 2004 and 2005 experienced an incremental loss of \$1.5 million for the first six months of 2005 due to lower revenues based on customer delivery requirements and integration costs of \$1.0 million. Organic operating income growth for the segment was 15%, which was driven primarily by higher sales volume and previously implemented cost control initiatives. The improvement was partially offset by less favorable sales mix resulting from decreased higher margin sales, such as the F-16 spares and tilting train program, and higher development work which generate lower margins. The segment also benefited from favorable foreign currency translation in the first six months of 2005 of \$0.3 million, as compared to the first six months of 2004.

New orders received for the Motion Control segment totaled \$105.6 million in the second quarter of 2005 and \$249.0 million for the first six months of 2005, representing an increase of 14% and 47% from the same periods in 2004, respectively. Acquisitions made in 2004 and 2005 contributed \$9.1 million and \$30.6 million in incremental new orders received in the second quarter and first six months of 2005, respectively. Backlog increased 33% to \$305.3 million at June 30, 2005 from \$229.6 million at December 31, 2004. The acquisition made in 2005 represented \$48.3 million of the backlog at June 30, 2005.

Metal Treatment

Sales for the Corporation's Metal Treatment segment totaled \$51.0 million for the second quarter of 2005, up 14% when compared with \$44.6 million in the second quarter of 2004. The growth, all of which was organic, was due mainly to the strong sales growth from our global shot peening services, which contributed \$5.2 million due to new programs and additional customer orders. The coatings division contributed \$0.7 million to the growth, mainly from its aerospace customers. Offsetting these increases were lower laser peening sales, which were down \$0.4 million from the same period of the prior year as work on fan blades for use in commercial aircraft engines winds down and the timing of new programs has moved into future periods. In addition, foreign currency translation favorably impacted sales for the second quarter of 2005 by \$0.6 million, as compared to the prior year period.

Operating income for the second quarter of 2005 increased 23% to \$9.1 million from \$7.4 million for the same period last year. Overall margin improvement was due to higher sales volume partially offset by unfavorable sales mix and higher operating costs. This segment also benefited from favorable foreign currency translation in the second quarter of 2005 of \$0.2 million, as compared to the prior year period.

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Sales for the Corporation's Metal Treatment segment totaled \$100.0 million for the first six months of 2005, up 15% when compared with \$86.8 million for the comparable period of 2004. Organic sales growth was 13% in the first six months of 2005, contributing \$11.1 million to the increase. The organic growth was due to strong sales growth from our global shot peening services, which contributed \$8.9 million due to increases in the aerospace and automotive markets. Increased shot peen forming services on wing skins for Airbus and shot peening services on Rolls-Royce engines drove the aerospace increases, while automotive work increased in Europe and the United States due to orders on new programs. The coatings division experienced organic growth of \$1.0 million, also from the aerospace and automotive markets. Sales from the heat treating division were up by \$0.9 million over the prior year period due to strengthening economic conditions. These gains were partially offset by a decline in laser peening sales of \$1.0 million, as work on fan blades for use in commercial aircraft engines winds down and timing of new programs has moved into future periods. The 2004 acquisitions contributed \$1.7 million of incremental sales in the first six months of 2005. In addition, foreign currency translation favorably impacted the sales for the first six months of 2005 by \$1.4 million, as compared to the prior year period.

Operating income for the first six months of 2005 increased 21% to \$16.9 million from \$14.0 million for the same period last year. Higher volumes in our shot peening and coatings businesses drove the improvements in operating income, offset partially by lower margin services and increased operating costs. The segment also benefited from favorable foreign currency translation in the first six months of 2005 of \$0.3 million, as compared to the prior year period.

New orders received for the Metal Treatment segment totaled \$51.6 million in the second quarter of 2005 and \$101.3 million for the first six months of 2005, representing an increase of 16% from the same periods in 2004. Acquisitions made in 2004 contributed \$1.7 million in incremental new orders received in the first six months of 2005. Backlog increased 68% to \$3.1 million at June 30, 2005 from \$1.9 million at December 31, 2004.

Interest Expense

Interest expense increased \$1.8 million and \$3.8 million for the second quarter and first six months of 2005, respectively, versus the comparable prior year periods. The increases were due to higher debt levels and higher interest rates associated with the funding of our acquisitions, which accounted for approximately 60% and 40% of the increase, respectively.

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CHANGES IN FINANCIAL CONDITION

Liquidity and Capital Resources

The Corporation derives the majority of its operating cash inflow from receipts on the sale of goods and services and cash outflow for the procurement of materials and labor, and is therefore subject to market fluctuations and conditions. A substantial portion of the Corporation's business is in the defense sector, which is characterized by long-term contracts. Most of our long-term contracts allow for several billing points (progress or milestones) that provide the Corporation with cash receipts as costs are incurred throughout the project rather than upon contract completion, thereby reducing working capital requirements. In some cases, these payments can exceed the costs incurred on a project.

Operating Activities

The Corporation's working capital was \$273.1 million at June 30, 2005, an increase of \$60.9 million from the working capital at December 31, 2004 of \$212.2 million. The ratio of current assets to current liabilities was 2.4 to 1 at June 30, 2005 versus 2.1 to 1 at December 31, 2004. Cash and cash equivalents totaled \$48.0 million in the aggregate at June 30, 2005, up from \$41.0 million at December 31, 2004. Days sales outstanding at June 30, 2005 was 50 days as compared to 47 days at December 31, 2004. Inventory turns at June 30, 2005 were 5.6 as compared to 5.8 at December 31, 2004.

Excluding cash, working capital increased \$54.0 million from December 31, 2004, partially due to the Indal Technologies acquisition made in the first quarter of 2005. The remainder of the increase was driven mainly by increases in inventory of \$17.4 million and accounts receivable of \$10.1 million. Inventory balances rose primarily as a result of build up for expected increases in sales for the second-half of 2005 and strategic initiatives to lower turn-around time for deliveries. Accounts receivable increased due to the timing of contractual billings and industry cycles, partially offset by collection of receivables from certain large projects outstanding at December 31, 2004.

Investing Activities

The Corporation acquired one business in the first six months of 2005. Funds available under the Corporation's credit agreement were utilized for the funding of the acquisition, which totaled \$62.8 million. Additional acquisitions will depend, in part, on the availability of financial resources at a cost of capital that meets stringent criteria. As such, future acquisitions, if any, may be funded through the use of the Corporation's cash and cash equivalents, additional financing available under the credit agreement, or new financing alternatives. Certain acquisition agreements contain contingent purchase price adjustments, such as potential earn-out payments. In the first six months of 2005, the Corporation made \$1.0 million in earn-out payments. Additionally, the Corporation paid \$5.1 million relating to prior period acquisitions, as required by the terms of the acquisition agreements.

Capital expenditures were \$22.0 million in the first six months of 2005. Internally available funds were adequate to meet the capital expenditures. Principal expenditures included the purchase of a new facility for our European valves division and new and replacement machinery and equipment for the expansion of new product lines within the business segments. The Corporation is expected to make additional capital expenditures of approximately \$23 million during the remainder of 2005 on machinery and equipment for ongoing operations at the

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business segments, expansion of existing facilities, and investments in new product lines and facilities. Additionally, the Corporation has received \$11.0 million from the sale of real estate and fixed assets during the six months ended June 30, 2005, mainly resulting from the sale of the Fairfield property as discussed in Note 15 to the Corporation's consolidated financial statements.

Financing Activities

At June 30, 2005, the Corporation had a \$400 million revolving credit agreement (the "Agreement") with a group of ten banks. Borrowings under the Agreement bear interest at a floating rate based on market conditions. In addition, the Corporation's interest rate and level of facility fees are dependent on certain financial ratio levels, as defined in the Agreement. The Corporation is subject to annual facility fees on the commitments under the Agreement. In connection with the Agreement, the Corporation paid customary transaction fees that have been deferred and are being amortized over the term of the Agreement. The Corporation is required under these agreements to maintain certain financial ratios and meet certain financial tests, the most restrictive of which is a debt to capitalization limit of 55%. The Agreement does not contain any subjective acceleration clauses. At June 30, 2005, the Corporation is in compliance with these covenants and had the flexibility to issue additional debt of \$324 million without exceeding the covenant limit defined in the Agreement. The Corporation would consider other financing alternatives to maintain capital structure balance and ensure compliance with all debt covenants. Cash borrowings (excluding letters of credit) under the Agreement at June 30, 2005 were \$185.0 million as compared to \$124.5 million at December 31, 2004. The unused credit available under the Agreement at June 30, 2005 was \$189.1 million. The Agreement expires in July 2009.

On September 25, 2003 the Corporation issued \$200.0 million of Senior Notes (the "Notes"). The Notes consist of \$75.0 million of 5.13% Senior Notes that mature on September 25, 2010 and \$125.0 million of 5.74% Senior Notes that mature on September 25, 2013. The Notes are senior unsecured obligations and are equal in right of payment to the Corporation's existing senior indebtedness. The Corporation, at its option, can prepay at any time, all or any part of, the Notes, subject to a make-whole amount in accordance with the terms of the Note Purchase Agreement. In connection with the Notes, the Corporation paid customary fees that have been deferred and are being amortized over the terms of the Notes. The Corporation is required under the Note Purchase Agreement to maintain certain financial ratios, the most restrictive of which is a debt to capitalization limit of 60%. At June 30, 2005, the Corporation is in compliance with these covenants.

On November 6, 2003 the Corporation entered into two interest rate swap agreements with notional amounts of \$20 million and \$60 million to effectively convert the fixed interest rates on the \$75 million 5.13% Senior Notes and \$125 million 5.74% Senior Notes, respectively, to variable rates based on specified spreads over six-month LIBOR. In the short-term, the swaps are expected to provide the Corporation with a lower level of interest expense related to the Notes.

Industrial revenue bonds, which are collateralized by real estate, machinery, and equipment, were \$14.3 million at June 30, 2005 and December 31, 2004. The loans outstanding under the Senior Notes, Interest Rate Swaps, Revolving Credit Agreement, and Industrial Revenue Bonds had variable interest rates averaging 4.52% during the second quarter of 2005 and 3.65% for the second quarter of 2004.

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CRITICAL ACCOUNTING POLICIES

Our consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of these statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are affected by the application of our accounting policies. Critical accounting policies are those that require application of management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. A summary of significant accounting policies and a description of accounting policies that are considered critical may be found in our 2004 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 15, 2005, in the Notes to the Consolidated Financial Statements, Note 1, and the Critical Accounting Policies section of Management's Discussion and Analysis of Financial Condition and Results of Operations.

Recently issued accounting standards:

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Accounting for Stock-Based Compensation" ("FAS 123(R)"). This Statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. Employee share purchase plans will not result in recognition of compensation cost if certain conditions are met; those conditions are much the same as the related conditions in FAS 123(R). This Statement is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. On April 14, 2005 the SEC announced a deferral of the effective date of FAS 123(R) for calendar year companies until January 1, 2006. The Corporation has not yet determined the impact of this pronouncement.

In June 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections – A Replacement of APB Opinion No. 20 and FASB Statement No. 3" ("FAS 154"). This Statement requires that a voluntary change in accounting principle be applied retrospectively with all prior period financial statements presented on the basis of the new accounting principle, unless it is impracticable to do so. FAS 154 also provides that (1) a change in method of depreciating or amortizing a long-lived nonfinancial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle, and (2) correction of errors in previously issued financial statements should be termed a "restatement." The new standard is effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005. Early adoption of this standard is permitted for accounting changes and correction of errors made in fiscal years beginning after June 1, 2005. The Corporation does not anticipate that the adoption of this statement will have a material impact on the Corporation's results of operation or financial condition.

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Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the Corporation's market risk during the six months ended June 30, 2005. Information regarding market risk and market risk management policies is more fully described in item "7A. Quantitative and Qualitative Disclosures about Market Risk" of the Corporation's Annual Report on Form 10-K for the year ended December 31, 2004.

Item 4. CONTROLS AND PROCEDURES

As of June 30, 2005, the Corporation's management, including the Corporation's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the Corporation's disclosure controls and procedures, as such term is defined in Rules 13a-15 (e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on such evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures are effective, in all material respects, to ensure that information required to be disclosed in the reports the Corporation files and submits under the Exchange Act is recorded, processed, summarized, and reported as and when required.

There have not been any changes in the Corporation's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended June 30, 2005 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

In the ordinary course of business, the Corporation and its subsidiaries are subject to various pending claims, lawsuits, and contingent liabilities. The Corporation does not believe that the disposition of any of these matters, individually or in the aggregate, will have a material adverse effect on the Corporation's consolidated financial position or results of operations.

Curtiss-Wright Corporation or its subsidiaries have been named in a number of lawsuits that allege injury from exposure to asbestos. To date, Curtiss-Wright has not been found liable or paid any material sum of money in settlement in any case. Curtiss-Wright believes that the minimal use of asbestos in its operations and the relatively non-friable condition of asbestos in its products makes it unlikely that it will face material liability in any asbestos litigation, whether individually or in the aggregate. Curtiss-Wright does maintain insurance coverage for these lawsuits and it believes adequate coverage exists to cover any unanticipated asbestos liability.

Item 2. UNREGISTERED SALES OF SECURITIES AND USE OF PROCEEDS

Pursuant to Curtiss Wright's 1996 Stock Plan for Non-Employee Directors, non-employee directors may elect to receive shares of Curtiss Wright's common stock in lieu of all or a portion of their annual retainer and meeting fees instead of receiving such fees in cash. During the second quarter of fiscal 2005, the Company credited the Deferred Shares Accounts of certain non-employee directors with a total of 2,352 shares of common stock pursuant to the Plan. In each case, the shares were acquired at prices ranging from \$46.00 to \$51.70 per share, which represented 90.9% of the fair market value of such shares on the date of acquisition. The total amount of fees in respect of which shares were purchased during the quarter was \$114,600.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

Exemption from registration of the sales of the shares is claimed by the Company under Section 4(2) of the Securities Act of 1933, as amended.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 19, 2005, the Registrant held its annual meeting of stockholders. The matters submitted to a vote by the stockholders were the election of directors, the approval of a Plan of Merger to consolidate the Registrant's dual common stock class structure, the approval of an Amendment to the Certificate of Incorporation, the adoption of the 2005 Omnibus Long-Term Incentive Plan, the adoption of the 2005 Stock Plan for Non-employee Directors, and the appointment of independent accountants for the Registrant.

The votes received by the director nominees were as follows:

| | <u>For</u> | <u>Withheld</u> |
|-------------------------------|------------|-----------------|
| <i>Class B common:</i> | | |
| Martin R. Benante | 6,756,703 | 59,156 |
| James B. Busey IV | 6,749,477 | 66,382 |
| Dave Lasky | 6,749,151 | 66,708 |
| Carl G. Miller | 6,690,938 | 124,921 |
| William B. Mitchell | 6,755,871 | 59,988 |
| John Myers | 6,756,253 | 59,606 |
| William W. Sihler | 6,756,227 | 59,632 |
| J. McLain Stewart | 6,752,727 | 63,132 |
| <i>Common:</i> | | |
| S. Marce Fuller | 11,558,088 | 43,859 |

There were no broker non-votes or votes against any director.

The stockholders voting as single class vote in favor of adopting a Plan of Merger Agreement to authorize the combination of the Corporation's dual common stock class structure. The holders of 15,323,365 shares voted in favor; 60,513 voted against and 36,761 abstained. There were 3,391,902 broker non-votes.

The stockholders voting as a single class approved the amendment to the Certificate of Incorporation authorizing the increase of authorized shares of Common Stock from 45,000,000 shares to 100,000,000 shares. The holders of 13,222,629 shares voted in favor; 2,126,199 voted against and 71,812 abstained. There were 3,391,962 broker non-votes.

The stockholders voting as a single class approved the adoption of the 2005 Omnibus Long-Term Incentive Plan. The holders of 11,613,163 shares voted in favor; 3,699,115 voted against and 128,360 abstained. There were 3,391,302 broker non-votes.

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The stockholders voting as a single class approved the adoption of the 2005 Stock Plan for Non-employee Directors. The holders of 11,989,572 shares voted in favor; 3,292,556 voted against and 138,511 abstained. There were 3,391,362 broker non-votes.

The stockholders approved the appointment of Deloitte & Touche LLP, independent accountants for the Registrant. The holders of 18,698,958 shares voted in favor; 90,766 voted against and 22,827 abstained. There were no broker non-votes.

Item 6. EXHIBITS and REPORTS on FORM 8-K

(a) Exhibits

- | | |
|--------------|---|
| Exhibit 3.1 | Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to the Registrant's Registration Statement on Form 8-A/A filed May 24, 2005) |
| Exhibit 3.2 | Amended and Restated Bylaws of the Registrant (incorporated by reference to the Registrant's Registration Statement on Form 8-A/A filed May 24, 2005) |
| Exhibit 4.1 | Second Amended and Restated Rights Agreement, dated as of May 24, 2005, between the Registrant and American Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to the Registrant's Registration Statement on Form 8-A/A filed May 24, 2005) |
| Exhibit 10.1 | 2005 Omnibus Long-Term Incentive Plan (incorporated by reference to Appendix B to Registrant's Proxy Statement on Schedule 14A, filed with the SEC on April 5, 2005) |
| Exhibit 10.2 | 2005 Stock Plan for Non-Employee Directors (incorporated by reference to Appendix C to Registrant's Proxy Statement on Schedule 14A, filed with the SEC on April 5, 2005) |
| Exhibit 10.3 | Instruments of Amendment Nos. 2 through 5 to the Curtiss-Wright Retirement Plan (filed herewith) |
| Exhibit 10.4 | Instruments of Amendment Nos. 1 and 2 to the Curtiss-Wright Electro-Mechanical Corporation Retirement Plan (filed herewith) |
| Exhibit 10.5 | Instrument of Amendment Nos. 1 and 2 to the Curtiss-Wright Corporation Savings & Investment Plan (filed herewith) |
| Exhibit 10.6 | Instrument of Amendment No. 1 to the Curtiss-Wright Electro-Mechanical Corporation Savings Plan (filed herewith) |
| Exhibit 31.1 | Certification of Martin R. Benante, Chairman and CEO, Pursuant to 18 U.S.C. Section 1350 (filed herewith) |
| Exhibit 31.2 | Certification of Glenn E. Tynan, Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350 (filed herewith) |

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

Exhibit 32 Certification of Martin R. Benante, Chairman and CEO, and Glenn E. Tynan, Chief Financial Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)

(b) Reports on Form 8-K

On April 8, 2005, the Corporation furnished Form 8-K under Items 7.01 and 9.01 respecting a presentation at an investor conference. Specified presentation materials were furnished as exhibit 99.

On April 28, 2005, the Corporation furnished Form 8-K under Items 2.02 and 9.01 respecting the announcement of financial results. A press release announcing financial results for the quarter ended March 31, 2005 was furnished as exhibit 99.

On May 10, 2005, the Corporation filed Form 8-K under Items 8.01 and 9.01 respecting voting for agenda items for the May 19, 2005 Annual Meeting. The subject letter to stockholders was furnished as exhibit 99.

On May 25, 2005, the Corporation filed Form 8-K under Items 1.01, 3.01, 3.03, 5.03 and 9.01 regarding amendment of the Corporation's certificate of incorporation, by-laws and rights agreement in connection with the May 19, 2005 Annual Meeting of Stockholders. Press releases announcing same were furnished as exhibit 99.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

SIGNATURE

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/ Glenn E. Tynan _____

Glenn E. Tynan

Vice President Finance / C.F.O.

Dated: August 9, 2005

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CURTISS-WRIGHT CORPORATION RETIREMENT PLAN As Amended and Restated effective January 1, 2001

SECOND INSTRUMENT OF AMENDMENT

Recitals:

1. Curtiss-Wright Corporation ("the Company") has heretofore adopted the Curtiss-Wright Corporation Retirement Plan ("the Plan").
2. The Company caused the Plan to be amended and restated in its entirety, effective as of January 1, 2001, in order to maintain the Plan's compliance with the requirements of the Internal Revenue Code ("the Code") and applicable regulations thereunder, and caused the Plan, as so amended and restated, to be submitted to the Internal Revenue Service ("IRS"), pursuant to Rev. Proc. 2001-6, for a determination that the Plan is a qualified plan, within the meaning of Sec. 401 of the Code.
3. The IRS, after requesting that certain amendments be made to the Plan, which amendments were duly adopted by the Retirement Plan Committee ("the Committee"), in accordance with Sections 12.01 and 12.02 of the Plan, issued its determination that the Plan is a qualified plan.
4. Subsequent to the most recent amendment and restatement of the Plan, it has become necessary to further amend the Plan to take account of changes in applicable laws and regulations, acquisitions by the company, employment and human resource decisions heretofore made by the Company, and changes to collective bargaining agreements between the Company, or subsidiaries thereof, and labor organizations representing certain employees of the Company, and it is appropriate for the Board of Directors ("the Board") to ratify and codify amendments heretofore adopted.
5. Sections 12.01 and 12.02 of the Plan permit the Company to amend the Plan, by written instrument, at any time and from time to time, and the Board has approved the adoption of this Instrument of Amendment and directed that it be executed by the Committee.

Amendments to the Plan:

For the reasons set forth in the Recitals to this Instrument of Amendment, and as authorized by resolution of the Board of Directors of the Company, the Plan is hereby amended in the following respects, to be effective as specified herein:

1. **Article 1** is amended, effective January 1, 2004, by adding, immediately after Section 1.07, the following new Section 1.07A:

1.07A “**Casual Employee**” means an Employee who, under the Employer’s generally applicable payroll and human resources practices,

- (i) is hired for an assignment of a limited nature and duration, which shall not exceed 90 days; and
- (ii) is classified as being in inactive status upon the completion of an assignment, subject to recall for another assignment of limited nature and duration.

2. **Article 1** is further amended, effective January 1, 2004, by adding, immediately after Section 1.44, the following new Section 1.44A:

1.44A “**Temporary Employee**” means an Employee who, under the Employer’s generally applicable payroll and human resources practices,

- (i) is hired for a specific assignment of limited scope that will have a duration of at least 90 days; and
- (ii) is hired subject to the condition that he will be terminated upon completion of such specific assignment.

3. **Section 2.01(d)** is redesignated as subsection (c) and, as so redesignated, is amended in its entirety, effective January 1, 2003, to read as follows:

- (c) Special Provisions applicable to Employees of Acquired Entities: The eligibility of Employees who were formerly employed by entities that were acquired by the Employer and Employees who are employed at facilities or operations that were acquired by the Employer subsequent to the acquisition thereof, and the Vesting Years of Service of Employees who were formerly employed by entities that were acquired by the Employer shall be subject to the special rules set forth in Schedule J.

4. **Section 2.01** is further amended, effective January 1, 2004 by adding at the end thereof the following new subsection (d):

- (d) Notwithstanding any provision hereof to the contrary, an Employee who is classified as a Casual Employee or as a Temporary Employee shall not be eligible to become a Participant in the Plan even in the event that such Casual Employee or Temporary Employee shall work 1,000 hours for the Company.

5. **Article 7** is amended, effective as of January 1, 2004, by adding at the end thereof the following new Section 7.10:

7.10 Delayed Commencement of Normal Retirement Benefit

- (a) Notwithstanding any provision hereof to the contrary, in the event a Participant’s pension otherwise required to commence on the Participant’s Normal Retirement Date is delayed because the Committee is unable to locate the Participant or for any other reason, the Committee shall commence payment within 90 days after the date the Participant is located. Unless the Participant elects an optional form of payment in

accordance with the provisions of Section 7.02, payment shall be in the normal (automatic) form set forth in Section 7.01(a) or 7.01(b), as applicable to the Participant Member on his Annuity Starting Date. The pension payable to the Participant as of his Annuity Starting Date shall be of Actuarial Equivalent to the pension otherwise payable to the Participant on his Normal Retirement Date.

In the event a Participant whose pension is delayed beyond his Normal Retirement Date as described in the foregoing paragraph dies prior to his Annuity Starting Date, and is survived by a spouse, the spouse shall be entitled to receive a survivor annuity under the provisions of Section 7.01(b), computed as Actuarial Equivalent of the pension otherwise payable to the Participant on his Normal Retirement Date.

- (b) In lieu of the pension otherwise payable under paragraph (a), a Participant described in paragraph (a) may elect to receive his pension as of his Normal Retirement Date in accordance with subparagraph (i) or subparagraph (ii) below:
- (i) Annuity with Partial Lump Sum . A Participant may elect to receive a pension payable in the amount that would have been payable to the Participant if payments had commenced on the Participant's Normal Retirement Date ("retroactive Annuity Starting Date") in the form elected by the Participant; plus one lump sum payment equal to the sum of the monthly payments the Participant would have received during the period beginning on his Normal Retirement Date and ending with the month preceding his Annuity Starting Date, together with interest at the annual rate specified in Section 4.03(a)(v), compounded annually. The amount of such monthly payments shall be determined as of the Participant's Normal Retirement Date on the basis of the actual form of payment in which the Participant's pension is payable under Section 7.01 or 7.02, as applicable. The lump sum as shall be paid on or as soon as practicable following the date the Participant's pension commences. An election under this subparagraph (i) shall be subject to the following requirements:
- (A) The Participant's benefit, including any interest adjustment, must satisfy the provisions of Section 415 of the Code, both at the retroactive Annuity Starting Date and at the actual commencement date, except that if payments commence within 12 months of the retroactive Annuity Starting Date, the provisions of Section 415 of the Code need only be satisfied as of the retroactive Annuity Starting Date.
- (B) Spousal Consent to the retroactive Annuity Starting Date is required unless:
- (1) the amount of the survivor annuity payable to the spouse determined as of the retroactive Annuity

Starting Date under the form elected by the Participant is no less than the amount the spouse would receive under the Qualified Joint and Survivor Annuity on the actual commencement date; or

- (2) the Participant's spouse on his retroactive Annuity Starting Date is not his spouse on his actual commencement date and is not treated as his spouse under a qualified domestic relations order.
- (C) The Participant may not elect the lump sum optional form of payment under Section 7.02.
- (ii) Lump Sum Payment. A Participant shall receive payment of his pension in the form of one lump sum payment determined as if his Normal Retirement Date was his Annuity Starting Date ("retroactive Annuity Starting Date"). Such election shall be subject to the following requirements:
 - (A) the Participant's benefit, including any interest adjustment, must satisfy the provisions of Sections 415 of the Code, both at the retroactive Annuity Starting Date and at the actual commencement date;
 - (B) the lump sum payment shall not be less than the amount that would have been payable on the retroactive Annuity Starting Date if the lump sum amount had been calculated using the IRS Interest Rate and IRS Mortality Table in effect on the date of distribution;
 - (C) the lump sum payment shall be increased by an amount of interest credited at the annual rate specified in Section 4.03(a)(v) from the Participant's Normal Retirement Date to his actual commencement date; and
 - (D) Spousal Consent to the retroactive Annuity Starting Date is required unless the Participant's spouse on his retroactive Annuity Starting Date is not his spouse on his actual commencement date and is not treated as his spouse under a qualified domestic relations order.

A Participant may make an election under this paragraph (b) in accordance with such administrative rules as shall be prescribed by the Committee.

6. Section 9.02(a)(v) is amended by the adding at the end thereof the following new subparagraphs (M), (N), and (O), which shall be effective as of January 1, 2004, January 1, 2005, and January 1, 2006, respectively:

- (M) \$30.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2004, for any pension payments due for months commencing on or after January 1, 2004.
- (N) \$32.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2005, for any pension payments due for months commencing on or after January 1, 2005.
- (O) \$34.00 multiplied by his years of Credited Service with Curtiss-Wright Flow Control Corporation on or after January 1, 2006, for any pension payments due for months commencing on or after January 1, 2006.

7. Section 9.02(a)(viii) is amended by adding immediately after the second paragraph thereof the following new paragraphs, which shall be effective as of January 1, 2000, January 1, 2001, and January 1, 2002, respectively:

With benefits commencing on or after January 1, 2000, \$5.00 multiplied by his Years of Credited Service on or after January 1, 2000, for any pension payments due for months commencing on or after January 1, 2000.

With benefits commencing on or after January 1, 2001, \$6.00 multiplied by his Years of Credited Service on or after January 1, 2001, for any pension payments due for months commencing on or after January 1, 2001.

With benefits commencing on or after January 1, 2002, \$8.00 multiplied by his Years of Credited Service on or after January 1, 2002, for any pension payments due for months commencing on or after January 1, 2002.

With benefits commencing on or after January 1, 2005, \$12.00 multiplied by his Years of Credited Service on or after January 1, 2005, for any pension payments due for months commencing on or after January 1, 2005.

8. Section 9.02(a)(x) is amended by deleting therefrom the second and third paragraphs and by inserting in lieu thereof the following new paragraphs, which shall be effective as of June 1, 1999, January 1, 2001, and January 1, 2003, respectively:

With benefits commencing on or after June 1, 1999, \$8.00 multiplied by his years of credited service on or after January 1, 1999, for any pension payments due for months commencing on or after June 1, 2001.

With benefits commencing on or after January 1, 2001, \$10.00 multiplied by his years of credited service on or after January 1, 2001, for any pension payments due for months commencing on or after January 1, 2001.

With benefits commencing on or after January 1, 2003, \$13.00 multiplied by his years of credited service on or after January 1, 2003, for any pension payments due for months commencing on or after January 1, 2003.

9. **Section 9.03** is amended, effective as of January 1, 2004, by adding at the end thereof the following new subsection (e):

- (e) Notwithstanding any provision hereof to the contrary, for the purpose of determining whether a Participant who is described in Section 9.01 shall be fully vested in the benefit determined in accordance with Section 9.02, all periods of employment recognized as Vesting Years of Service for purposes of Article 5 shall be taken into account as Credited Service under subsection (b).

10. **Article 11** is amended, effective as of January 1, 2003, by adding at the end thereof the following new Section 11.09:

11.09 Payment of Expenses.

Reasonable expenses of the Plan may be paid from Plan assets, unless paid by an Employer. The Employer is entitled to reimbursement of direct expenses properly and actually incurred in providing services to the Plan, in accordance with applicable provisions of ERISA.

11. **Schedule J** is amended, effective as of January 1, 2002, by deleting therefrom the first paragraph and inserting in lieu thereof the following new paragraph:

The provisions of this Schedule J shall apply to Employees who were formerly employed by entities that were acquired by the Employer or an Affiliated Employer and, to the extent specified, to Employees who are employed at such operations or facilities subsequent to the acquisition thereof.

12. **Schedule J, Item 8** is amended, effective as of November 1, 2001, by deleting therefrom the date "October 25, 2001" in each place that it appears and by inserting in lieu thereof the new date "November 1, 2001".

13. **Schedule J, Item 9** is amended, effective as of November 5, 2001, by deleting therefrom the date "November 6, 2001" in each place that it appears and by inserting in lieu thereof the new date "November 5, 2001".

14. **Schedule J, Item 11** is amended, effective as of December 12, 2001, by deleting therefrom the date "December 13, 2001" in each place that it appears and by inserting in lieu thereof the new date "December 12, 2001".

15. **Schedule J, Item 12** is amended, effective as of December 19, 2001, by deleting therefrom the date "December 21, 2001" in each place that it appears and by inserting in lieu thereof the new date "December 19, 2001".

16. **Schedule J, Item 13** is amended, effective as of April 1, 2002, by deleting therefrom the date "February 20, 2002" in each place that it appears and by inserting in lieu thereof the new date "April 1, 2002".

17. **Schedule J** is further amended, effective as of April 1, 2002, by adding at the end thereof the following new Item 14:

14. Autronics Corp.

Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 1, 2002 whose immediate prior service was with Autronics Corp. and who was employed by such entity at such date:

- (a) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii).
- (b) For purposes determining Vesting Years of Service, his period of such prior service shall be included.
- (c) For purposes of determining Credited Service, he shall have Credited Service computed from April 1, 2002.

18. **Schedule J** is further amended, effective as of October 28, 2002, by adding at the end thereof the following new Item 15:

15. Curtiss-Wright Electro-Mechanical Corp.

Notwithstanding any provision hereof to the contrary, no Employee who is employed by Curtiss-Wright Electro-Mechanical Corp., or any subsidiary or division thereof shall be eligible to become a Participant in this Plan.

19. **Schedule J** is further amended, by adding at the end thereof the following new Item 16, subsection (a) of which shall be effective as of December 2, 2002 and subsection (b) of which shall be effective as of November 1, 2004:

16. TAPCO

- (a) Notwithstanding any provision hereof to the contrary, no Employee who is employed by TAPCO International, Inc., or any subsidiary or division thereof shall be eligible to become a Participant in this Plan prior to November 1, 2004.
- (b) Effective as of October 1, 2004, an Employee at the operations and facilities acquired by the Employer in its acquisition of TAPCO shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

20. Schedule J is further amended, effective as of March 1, 2003, by adding at the end thereof the following new Item 17:

17. Collins Technologies

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on March 1, 2003 whose immediate prior service was with Collins Technologies and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of Collins Technologies, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

21. Schedule J is further amended, effective as of March 12, 2003, by adding at the end thereof the following new Item 18:

18. Advanced Materials Process Corp.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on March 12, 2003 whose immediate prior service was with Advanced Materials Process Corp. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii).
 - (ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.

- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of Advanced Materials Process Corp., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b).

22. Schedule J is further amended, effective as of April 3, 2003, by adding at the end thereof the following new Item 19:

19. E/M Coatings

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 2, 2003 whose immediate prior service was with E/M Coatings and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of E/M Coatings, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

23. Schedule J is further amended, effective as of August 1, 2003, by adding at the end thereof the following new Item 20:

20. Peritek Corp.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on August 1, 2003 whose immediate prior service was with Peritek Corp. and who was employed by such entity at such date:
 - (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the

eligibility requirements in Section 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of Peritek Corp., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

24. Schedule J is further amended, effective as of December 1, 2003, by adding at the end thereof the following new Item 21:

21. Systran Corp.

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on December 1, 2003 whose immediate prior service was with Systran Corp. and who was employed by such entity at such date:

(i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) Such an Employee shall be 100% vested in his benefit as determined in accordance with Article 4.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of Systran Corp., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

25. Schedule J is further amended, effective as of December 4, 2003, by adding at the end thereof the following new Item 22:

22. Novatronics, Inc.

Notwithstanding any provision hereof to the contrary, no Employee who is employed at any operations or facilities acquired by the Employer in its acquisition of Novatronics, Inc. shall be eligible to become a Participant in this Plan.

26. Schedule J is further amended, effective as of January 31, 2004, by adding at the end thereof the following new Item 23:

23. DY4 Systems, Inc.

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on January 31, 2004 whose immediate prior service was with DY4 Systems, Inc. and who was employed by such entity at such date:
- (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.
 - (ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.
- (b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of DY4 Systems, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

27. Schedule J is further amended, effective as of April 3, 2004, by adding at the end thereof the following new Item 24:

24. Everlube Products

- (a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on April 2, 2004 whose immediate prior service was with Everlube Products and who was employed by such entity at such date:
- (i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii), provided,

however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of Everlube Products, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

28. Schedule J is further amended, effective as of April 2, 2004, by adding at the end thereof the following new Item 25:

25. IMES Engineering, Inc.

Notwithstanding any provision hereof to the contrary, no Employee who is employed at any operations or facilities acquired by the Employer in its acquisition of IMES Engineering, Inc. shall be eligible to become a Participant in this Plan.

29. Schedule J is further amended, effective as of May 24, 2004, by adding at the end thereof the following new Item 26:

26. Nova Machine Products Corp.

Notwithstanding any provision hereof to the contrary, no Employee who is employed at any operations or facilities acquired by the Employer in its acquisition of Nova Machine Products Corp. shall be eligible to become a Participant in this Plan.

30. Schedule J is further amended, effective as of May 24, 2004, by adding at the end thereof the following new Item 27:

27. Trentec, Inc.

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on May 24, 2004 whose immediate prior service was with Trentec, Inc. and who was employed by such entity at such date:

(i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the

eligibility requirements in Section 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of Trentec, Inc., who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

31. Schedule J is further amended, effective as of May 28, 2004, by adding at the end thereof the following new Item 28:

28. Primagraphics

(a) Notwithstanding any provision in this Plan to the contrary, the following rules shall apply to an Employee hired on May 28, 2004 whose immediate prior service was with Primagraphics and who was employed by such entity at such date:

(i) Such an Employee shall be eligible to participate in the Plan as of the Entry Date coinciding with or next following the date he or she completes his or her Year of Eligibility Service, which Year of Eligibility Service shall include such prior service, and shall remain eligible so long as he or she continues to satisfy the eligibility requirements in Section 2.01(b)(i) and (ii), provided, however, that such an Employee shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

(ii) For purposes determining Vesting Years of Service, his period of such prior service shall be included.

(b) Notwithstanding any provision in this Plan to the contrary, an Employee at the operations and facilities acquired by the Employer in its acquisition of Primagraphics, who is not an Employee described in paragraph (a), shall be eligible to become a Participant in accordance with Section 2.01(b), but shall not accrue any benefits under the Plan, except for benefits determined in accordance with Article 4.

32. Schedule K1, Item 2 is amended, effective as of October 13, 2001, by deleting therefrom the date "October 12, 2001" in each place that it appears and by inserting in lieu thereof the new date "November 17, 2001".

33. Schedule K1 is amended, effective as of February 1, 2002, by adding at the end thereof the following new Item 3:

3. Corporate Headquarters, Farris, Gastonia, Flight Systems – Miami, and Metal Improvement - Carlstadt: February 1, 2002 through March 29, 2002

For each Participant whose employment with the Employer is terminated between February 1, 2002 and March 29, 2002, in connection with or as a result of the Company's reduction in force program at the Corporate headquarters, and at Farris, Gastonia, Flight Systems – Miami, and Metal Improvement – Carlstadt operations, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

34. Schedule K1 is further amended, effective as of August 29, 2002, by adding at the end thereof the following new Item 4:

4. Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow Control – Target Rock, Metal Improvement, and Corporate Headquarters: August 29, 2002 through October 31, 2002

For each Participant whose employment with the Employer is terminated between February 1, 2002 and March 29, 2002, in connection with or as a result of the Company's reduction in force program at the Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow Control – Target Rock, and Metal Improvement operations and at the Corporate headquarters, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

35. Schedule K1 is further amended, effective as of June 6, 2003, by adding at the end thereof the following new Item 5:

5. Metal Improvement: June 6, 2003 through June 30, 2003

For each Participant whose employment with the Employer is terminated between June 6, 2003 and June 30, 2003, in connection with or as a result of the Company's reduction in force program at the Metal Improvement operations, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not

be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

36. **Schedule K1** is further amended, effective as of March 10, 2004, by adding at the end thereof the following new Item 6:

6. Controls – Pine Brook, NJ and Commercial Technologies: March 10, 2004 through April 9, 2004

For each Participant whose employment with the Employer is terminated between March 10, 2004 and April 9, 2004, in connection with or as a result of the closure of the Controls – Pine Brook, NJ operations or the sale of the Commercial Technologies business unit, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credits, shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that the number of years of Service taken into account for this purpose shall not be less than 4 years and shall not be greater than 24 years for a Participant who is a salaried or exempt employee and shall not be greater than 8 years for a Participant who is a nonexempt employee.

37. **Schedule K2, Item 2** is amended, effective as of October 13, 2001, by deleting therefrom the date “October 12, 2001” in each place that it appears and by inserting in lieu thereof the new date “November 17, 2001”.

38. **Schedule K2** is amended, effective as of February 1, 2002, by adding at the end thereof the following new Item 3:

3. Corporate Headquarters, Farris, Gastonia, Flight Systems – Miami, and Metal Improvement - Carlstadt: February 1, 2002 through March 29, 2002

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Employer is terminated between February 1, 2002 and March 29, 2002, in connection with or as a result of the Company’s reduction in force program at Corporate headquarters, and at the Farris, Gastonia, Flight Systems – Miami, and Metal Improvement – Carlstadt operations shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

39. **Schedule K2** is further amended, effective as of August 29, 2002, by adding at the end thereof the following new Item 4:

4. Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow Control – Target Rock, Metal Improvement, and Corporate Headquarters: August 29, 2002 through October 31, 2002

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Employer is terminated between February 1, 2002 and March 29, 2002, in connection with or as a result of the Company’s reduction in force program at the Flight Systems – Shelby, Flight Systems – Lau/Vista, Flow

Control – Target Rock, and Metal Improvement operations and at Corporate headquarters shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

40. **Schedule K2** is further amended, effective as of June 6, 2003, by adding at the end thereof the following new Item 5:

5. **Metal Improvement: June 6, 2003 through June 30, 2003**

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Employer is terminated between June 6, 2003 and June 30, 2003, in connection with or as a result of the Company's reduction in force program at the Metal Improvement operations shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

41. **Schedule K2** is further amended, effective as of March 10, 2004, by adding at the end thereof the following new Item 6:

6. **Controls – Pine Brook, NJ and Commercial Technologies: March 10, 2004 through April 9, 2004**

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Employer is terminated between March 10, 2004 and April 9, 2004, in connection with or as a result of the closure of the Controls – Pine Brook, NJ operations or the sale of the Commercial Technologies business unit shall be 100% vested in his Normal Retirement Benefit and his Escalating Annuity Benefit.

Except to the extent amended by this Instrument of Amendment, the Plan shall remain in full force and effect.

**Curtiss-Wright Corporation
Retirement Plan Committee**

By: **/s/ Glenn E. Tynan**

Date: September 30, 2004

**CURTISS-WRIGHT CORPORATION
RETIREMENT PLAN
As Amended and Restated effective January 1, 2001**

THIRD INSTRUMENT OF AMENDMENT

Recitals:

1. Curtiss-Wright Corporation ("the Company") has heretofore adopted the Curtiss-Wright Corporation Retirement Plan ("the Plan").
2. The Company caused the Plan to be amended and restated in its entirety, effective as of January 1, 2001, and has since caused the Plan to be further amended.
3. Subsequent to the most recent amendment of the Plan, it has become necessary to further amend the Plan to take account of employment and human resource decisions heretofore made by the Company.
4. Sections 12.01 and 12.02 of the Plan permit the Company to amend the Plan, by written instrument, at any time and from time to time, by action of the Committee established in accordance with Section 11.01 of the Plan.

Amendments to the Plan:

For the reasons set forth in the Recitals to this Instrument of Amendment, the Plan is hereby amended in the following respects, to be effective as specified herein:

1. **Schedule K1** is amended, effective as of February 1, 2005, by adding at the end thereof the following new Item 7:

7. Controls – Synergy, San Diego, CA Business Unit: February 1, 2005 through April 15, 2005

For each Participant whose employment with the Employer is terminated between February 1, 2005 and April 15, 2005, in connection with or as a result of the reduction in force at the Controls – Synergy, San Diego, CA business unit, a supplemental credit shall be added to his Escalating Annuity Benefit. The amount of such supplemental credit shall be determined as follows: an amount equal to the product of (i) 8/75, (ii) the greater of (A) four or (B) his number of years of Service, and (iii) his weekly base rate of pay, provided, however, that for a Participant who is a nonexempt employee, the number taken into account for purposes of item (ii) shall not be less than the sum of (A) two, plus (B) his number of years of Service.

2. **Schedule K2** is amended, effective as of February 1, 2005, by adding at the end thereof the following new Item 7:

7. Controls – Synergy, San Diego, CA Business Unit: February 1, 2005 through April 15, 2005

Notwithstanding any provision hereof to the contrary, a Participant whose employment with the Employer is terminated between February 1, 2005 and April 15, 2005, in connection with or as a result of the reduction in force at the Controls – Synergy, San Diego, CA, business unit, shall be 100% vested in his Escalating Annuity Benefit.

Except to the extent amended by this Instrument of Amendment, the Plan shall remain in full force and effect.

**Curtiss-Wright Corporation
Retirement Plan Committee**

By: _____

Date: _____

**CURTISS-WRIGHT CORPORATION
RETIREMENT PLAN
As Amended and Restated effective January 1, 2001**

FOURTH INSTRUMENT OF AMENDMENT

Recitals:

1. Curtiss-Wright Corporation ("the Company") has heretofore adopted the Curtiss-Wright Corporation Retirement Plan ("the Plan").
2. The Company caused the Plan to be amended and restated in its entirety, effective as of January 1, 2001, and has since caused the Plan to be further amended.
3. Subsequent to the most recent amendment of the Plan, it has become necessary and appropriate to further amend the Plan to include in the Plan's definition of compensation, salary deferrals made by an employee under the terms of the Curtiss-Wright Executive Deferred Compensation Plan and to revise certain benefit provisions of the Plan.
4. Sections 12.01 and 12.02 of the Plan permit the Company to amend the Plan, by written instrument, at any time and from time to time, by action of the Board of Directors.

Amendment to the Plan:

NOW, THEREFORE, be it

RESOLVED, that for the reasons set forth in the Recitals to this Instrument of Amendment, the Plan is hereby amended in the following respects, to be effective as specified herein:

1. Section 1.11 is amended, effective as of January 1, 2005, by adding at the end of the third paragraph thereof the following new sentence:

Compensation shall also include any amount that would have been payable to the Employee but for a deferral election made by the Employee under the Curtiss-Wright Corporation Executive Deferred Compensation Plan, which amount shall be deemed to have been paid at the time at which it would have been paid in the absence of such election, provided, however, that no amount shall be included in an Employee's Compensation pursuant to this sentence if the inclusion of such amount would cause the Plan to fail to comply with any nondiscrimination provision of the Code.

2. Section 6.01 is amended, effective as of January 1, 2004, by adding at the end thereof the following new subsection (e):
- (e) Effective January 1, 2004, in addition to the benefit described in Section 4.02 and paragraphs (a), (b), (c) and (d) of this Section, the Normal Retirement Benefit of certain participants shall be increased. Participants described in Part A of Schedule I 3 shall receive the increase set forth in subparagraphs (i) through (iii) herein. Participants described in Part B of Schedule I 3 shall receive the increase set forth in subparagraph (iv) herein, adjusted for optional form of payment as provided in Section 7.02.
- (i) The sum of the benefits described in Section 6.01(a), 6.01(c)(i) and 6.01(d)(i) shall be increased by the sum of (A) and (B) below:
- (A) the applicable factor in Schedule I 3, multiplied by the employer accrued benefit under Section 6.01(a), 6.01(c)(i) and 6.01(d)(i) as of the date of determination, but in no event later than December 31, 2006,
- (B) the applicable factor in Schedule I 3, multiplied by the employer accrued benefit under Section 6.01(a), 6.01(c)(i) and 6.01(d)(i) as of the date of determination, but in no event later than December 31, 2006, multiplied by a Participant's Years of Credited Service after December 31, 2003 and before January 1, 2007.
- (ii) The benefit described in Section 6.01(b), 6.01(c)(ii) and 6.01(d)(ii) shall be increased by the sum of (A) and (B) below:
- (A) the product of the applicable factor in Schedule I 3, multiplied by three (3.0), multiplied by the sum of:
- (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation determined as of the date of determination, but in no event later than December 31, 2006, and Covered Compensation determined as of December 31, 2003, plus
- (II) one percent (1%) of Average Compensation, as determined in accordance with subparagraph (I) above, up to Covered Compensation, with Covered Compensation determined as of December 31, 2003, plus

- (III) the accrued benefit provided under Section 6.01(c)(ii)(A), 6.01(c)(ii)(B), 6.01(d)(ii)(A) and 6.01(d)(ii)(B).
- (B) the product of the applicable factor in Schedule I 3, multiplied by a Participant's Years of Credited Service after December 31, 2003 and before January 1, 2007, multiplied by the sum of
 - (I) one and one-half percent (1½%) of Average Compensation in excess of Covered Compensation, with Average Compensation and Covered Compensation determined as of the date of determination, but in no event later than December 31, 2006, plus
 - (II) one percent (1%) of Average Compensation up to Covered Compensation, with Covered Compensation and Average Compensation determined in accordance with subparagraph (I) above.
- (iii) The benefit described in Section 4.02, 6.01(c)(iii) and 6.01(d)(iii) shall be increased by the sum of (A) to (D) below:
 - (A) the applicable factor described in Schedule I 3, multiplied by the Participant's Cash Balance Account as of December 31, 2003.
 - (B) the applicable factor described in Schedule I 3, multiplied by the credit to the Participant's Cash Balance Account for the 2004 Plan Year.
 - (C) the applicable factor described in Schedule I 3, multiplied by the credit to the Participant's Cash Balance Account for the 2005 Plan Year.
 - (D) the applicable factor described in Schedule I 3, multiplied by the credit to the Participant's Cash Balance Account for the 2006 Plan Year.
- (iv) The additional benefits set forth in Part B of Schedule I 3.
- (v) In the event the limitation on Compensation in Section 401(a)(17) of the Code is increased at any time by statute or regulation (but not by application of the cost-of-living adjustment factor in Section 401(a)(17)(b) of the Code), all accruals under this Section 6.01(e) shall cease as of the effective date of said increase.

- (vi) If the Internal Revenue Service, upon timely application, determines that this Section 6.01(e) causes the Plan to lose its status as a qualified plan under Section 4.01(a) of the Code, then this subsection (e) shall be void *ab initio*.

3. Appendix I is amended, effective as of January 1, 2004, by adding, immediately after Schedule I 2, the following new Schedule I 3:

SCHEDULE I 3: SPECIAL FACTORS FOR BENEFITS REFERENCED IN SECTION 6.01(e)

Part (A)

| <i>subsection:</i> | (e)(i)(A) | (e)(i)(B) | (e)(ii)(A) | (e)(ii)(B) | (e)(iii)(A) | (e)(iii)(B) | (e)(iii)(C) | (e)(iii)(D) |
|------------------------|---|--|--|--|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Social Security Number | Factor for 08/31/94 Employer Indexed Accrued Benefit for Service up to 12/31/03 | Factor for 08/31/94 Employer Indexed Accrued Benefit for Service from 01/01/04 to 12/31/06 | Factor for 1.0%/1.5% of Average Compensation for Service from 09/01/94 to 12/31/03 | Factor for 1.0%/1.5% of Average Compensation for Service from 01/01/04 to 12/31/06 | Factor applied to 12/31/2003 Cash Balance | Factor for 2004 Cash Balance Accrual | Factor for 2005 Cash Balance Accrual | Factor for 2006 Cash Balance Accrual |
| xxx-xx-7480 | 0.000030 | — | 0.000079 | 0.000016 | 0.017028 | — | — | — |
| xxx-xx-5961 | — | — | 0.178703 | 0.620694 | 0.049070 | 0.260574 | 0.260574 | 0.260574 |
| xxx-xx-4110 | 0.094728 | 0.055325 | 0.286785 | 0.760659 | 0.050949 | 0.260680 | 0.260680 | 0.260680 |
| xxx-xx-7307 | — | — | 0.153698 | 0.381550 | 0.206495 | 0.342341 | 0.342341 | 0.342341 |
| xxx-xx-1702 | — | — | 0.007199 | — | 0.011785 | — | — | — |
| xxx-xx-9869 | 0.084505 | 0.051585 | 0.047504 | 1.790416 | 0.070325 | 1.017055 | 1.017055 | 1.017055 |
| xxx-xx-6134 | 0.549688 | 0.194709 | 0.286090 | 10.426374 | 0.322283 | 4.367650 | 4.367650 | 4.367650 |
| xxx-xx-9903 | — | — | 0.162945 | 0.328535 | 0.106133 | 0.254545 | 0.254545 | 0.254545 |
| xxx-xx-0657 | 0.035114 | 0.021058 | 0.105525 | 0.275651 | 0.037198 | 0.096600 | 0.096600 | 0.096600 |
| xxx-xx-7423 | — | — | 0.425593 | 0.873242 | 0.452687 | 0.678602 | 0.678602 | 0.678602 |
| xxx-xx-7460 | 0.010605 | 0.003032 | 0.039669 | 0.054321 | 0.005594 | 0.017949 | 0.017949 | 0.017949 |
| xxx-xx-2586 | — | — | 0.043743 | 0.130618 | 0.023690 | 0.071002 | 0.071002 | 0.071002 |
| xxx-xx-1179 | 0.316965 | 0.190944 | 0.173763 | 5.314433 | 0.141206 | 2.284521 | 2.284521 | 2.284521 |
| xxx-xx-2005 | — | — | 0.477976 | 0.983501 | 0.387945 | 0.618129 | 0.618129 | 0.618129 |
| xxx-xx-9248 | — | — | 0.068096 | 0.204227 | 0.025206 | 0.093914 | 0.093914 | 0.093914 |
| xxx-xx-5199 | 0.030182 | 0.018106 | 0.112444 | 0.290023 | 0.014176 | 0.097387 | 0.097387 | 0.097387 |
| xxx-xx-0966 | — | — | 0.104742 | 0.316091 | 0.068122 | 0.149460 | 0.149460 | 0.149460 |
| xxx-xx-3565 | — | — | 0.124994 | 0.336665 | 0.150871 | 0.289662 | 0.289662 | 0.289662 |
| xxx-xx-3586 | — | — | 0.060648 | 0.007328 | 0.075764 | — | — | — |
| xxx-xx-5079 | — | — | 0.139515 | 0.433914 | 0.069886 | 0.196813 | 0.196813 | 0.196813 |
| xxx-xx-1730 | — | — | 0.235634 | 0.736120 | 0.148019 | 0.448895 | 0.448895 | 0.448895 |

Part (B)

| <u>subsection:</u> | <u>(e)(iv)</u> | <u>(e)(iv)</u> | |
|-------------------------------|---------------------------|-------------------------|-----------------|
| Social Security Number | Additional Annual Benefit | Additional Cash Balance | |
| | | Amount | Allocation Date |
| xxx-xx-5932 | 4,710.46 | 4,480.10 | 8/9/04 |
| xxx-xx-1487 | 13,128.20 | 18,906.28 | 1/23/05 |

and be it further

RESOLVED, that the Committee established pursuant to Sec. 12.01 of the Plan shall have the authority to modify the amendment hereby adopted, including the authority to cause all or any part of such amendment to be deemed void *ab initio*, in the event that the Committee determines, on the advice of counsel or on the basis of guidance issued by the Internal Revenue Service pursuant to Sec. 409A of the Code, that any provision of such amendment would be deemed to cause any nonqualified deferred compensation plan maintained by the Company to have been materially modified, subsequent to October 3, 2004, within the meaning of Sec. 885(d)(2)(B) of the American Jobs Creation Act of 2004 and regulations and rulings thereunder .

**Curtiss-Wright Corporation
Benefits Committee**

By: _____

Paul J. Ferdenzi

Date: _____

**CURTISS-WRIGHT CORPORATION
RETIREMENT PLAN
As Amended and Restated effective January 1, 2001**

FIFTH INSTRUMENT OF AMENDMENT

Recitals:

1. Curtiss-Wright Corporation ("the Company") has heretofore adopted the Curtiss-Wright Corporation Retirement Plan ("the Plan").
2. The Company caused the Plan to be amended and restated in its entirety, effective as of January 1, 2001, and has since caused the Plan to be further amended.
3. Subsequent to the most recent amendment of the Plan, it has become necessary and appropriate to further amend the Plan to lower the mandatory cash-out threshold from \$5,000 to \$1,000 for benefits payable to members prior to their normal retirement date and to provide a voluntary lump sum option for members who elect payment prior to their normal retirement date if the value of the lump sum exceeds \$1,000 but does not exceed \$5,000.
4. Sections 12.01 and 12.02 of the Plan permit the Company to amend the Plan, by written instrument, at any time and from time to time, by action of the Committee established in accordance with Section 11.01 of the Plan.

Amendment to the Plan:

For the reasons set forth in the Recitals to this Instrument of Amendment, the Plan is hereby amended in the following respects, to be effective as specified herein:

1. Section 5.03(d) is amended, effective as of March 27, 2005, by deleting the reference to "\$5,000" and inserting in its place "\$1,000" in the first sentence thereof and by adding the following sentence at the end of the second paragraph thereof:

Further, the Participant's Spouse's consent to a distribution under Section 8.01(c) is not required even if the benefit is immediately distributable.
 2. Section 7.02(b)(iii) is amended, effective as of March 27, 2005, to read as follows:

"(iii) a lump sum payment, provided the amount of the lump sum payment at the Annuity Starting Date exceeds \$5,000, or"
-

3. Section 7.05 is amended, effective as of March 27, 2005, in its entirety to read as follows:

“Notwithstanding any provision of the Plan to the contrary, in any case, a lump sum payment of Actuarial Equivalent value shall be made in lieu of all benefits in the event:

- (a) the Participant’s Annuity Starting Date occurs on or after his Normal Retirement Date and the present value of his benefit determined as of his Annuity Starting Date amounts to \$5,000 or less, or
- (b) the Participant’s Annuity Starting Date occurs prior to his Normal Retirement Date and the present value of his benefit determined as of his Annuity Starting Date amounts to \$1,000 or less.

In determining the amount of a lump sum payment payable under this paragraph, Actuarial Equivalent value shall mean a benefit, in the case of a lump sum benefit payable prior to a Participant’s Normal Retirement Date, of equivalent value to the benefit which would otherwise have been provided commencing at the Participant’s Normal Retirement Date, or if larger, the benefit which would otherwise have been provided commencing at the earliest date he could have commenced payment. In the event the present value of a benefit exceeds \$1,000 upon its initial determination as to its present value, the present value of the benefit shall be redetermined annually as of the first day of each subsequent Plan Year. The determination as to whether a lump sum payment is due shall be made as soon as practicable following the Participant’s termination of service. Any lump sum benefit payable shall be made as soon as practicable following the determination that the amount qualifies for distribution under the provisions of this paragraph. In no event shall a lump sum payment be made following the date pension payments have commenced as an annuity.

Notwithstanding any provision of the Plan to the contrary, a Participant who is entitled to a pension upon his termination of employment and who has not reached his Normal Retirement Date shall be entitled to elect to receive his pension in one lump sum of Actuarial Equivalent value to the pension payable at his Annuity Starting Date provided that the amount of the lump sum payment exceeds \$1,000 but does not exceed \$5,000 at the time of payment. The Participant may elect to receive the lump sum payment as soon as practicable following his termination of employment or as of the first day of any later month that precedes his Normal Retirement Date. Such election shall be made in accordance with such administrative rules as the Committee shall prescribe. Spousal Consent to the Participant’s election of the lump sum is not required. A Participant who is entitled to elect a distribution under this paragraph shall not be entitled to receive payment in any other form of payment offered under the Plan.”

4. Section 8.01 is amended, effective as of March 27, 2005, by adding a new paragraph (c) to read as follows:

- “(c) Notwithstanding the preceding provisions of this Section, a lump sum payment of Actuarial Equivalent value shall be paid to the Beneficiary in

lieu of the monthly benefit if the present value of the benefit payable as of the date payments commence to the Beneficiary amounts to \$5,000 or less. In the event the present value of a Beneficiary's benefit exceeds \$5,000 upon an initial determination as to its present value and distribution of the benefit is deferred, the present value of the Beneficiary's benefit shall be redetermined annually as of the first day of each subsequent Plan Year. The lump sum payment shall be made as soon as practicable following the Participant's date of death or such later date that a determination is made that the amount qualifies for distribution under this paragraph. In no event shall a lump sum payment be made following the date benefit payments have commenced to the Beneficiary as an annuity."

Except to the extent amended by this Instrument of Amendment, the Plan shall remain in full force and effect.

**Curtiss-Wright Corporation
Retirement Plan Committee**

By: _____
Date: _____

**FIRST AMENDMENT TO
CURTISS-WRIGHT ELECTRO-MECHANICAL DIVISION
PENSION PLAN**

WHEREAS, pursuant to Section 18 of the Curtiss-Wright Electro-Mechanical Division Pension Plan ("Pension Plan"), the Administrative Committee (the "Committee"), may amend the Pension Plan; and

WHEREAS, the Committee desires to amend the Pension Plan to specify the relationship among certain corporate entities owned or controlled by Curtiss-Wright Corporation and to comply with Treasury regulations regarding retroactive annuity starting dates,

NOW, THEREFORE, IT IS RESOLVED that the Pension Plan is amended in the following respects, effective as of January 1, 2004, except as otherwise specified below:

1. Section I.29 is amended by deleting the phrase "the Electro-Mechanical Division of Curtiss-Wright Flow Control Corporation" and by inserting in lieu thereof the phrase "the operations denominated as the Electro-Mechanical Division, which operations were acquired by Curtiss-Wright Electro-Mechanical Corporation, a wholly owned subsidiary of Curtiss-Wright Flow Control Corporation, a wholly owned subsidiary of the Company".
2. Subsection 10.A shall be amended by replacing the term "retirement date", in each place that it appears, with the term "Annuity Starting Date."
3. Subsection 10.C shall be amended by replacing the term "retirement date" with the term "Annuity Starting Date."
4. Subsection 10.C shall be further amended by adding the following at the end thereof:

If (i) an Employee retires or terminates employment before his Normal Retirement Date, then reaches his Normal Retirement Date before he elects to commence pension payments, and fails to elect one of the forms of pension payment specified above, or (ii) an Employee retires on or after reaching Normal Retirement Date and fails to elect one of the forms of pension payment specified above, the Employee's pension payments shall, except as provided in Subsection 10.P.3, commence as of the later of his Normal Retirement Date or actual retirement date, and as soon as practicable following the later of his Normal Retirement Date or his actual retirement, in the normal form of payment specified in Subsection 10.A.

An Employee's election to commence pension payments shall be made in accordance with procedures established by the Administrator, including, but not limited to, procedures regarding (i) the date by which an Employee must request a benefit calculation and election forms based on a particular Annuity Starting Date and (ii) the date by which an Employee must return such forms for the benefit to commence on such Annuity Starting Date. Such procedures shall provide that an Employee's Annuity Starting Date shall in no event be earlier than the date on which the Employee makes a request for a benefit calculation and election forms.

5. Section 10 shall be amended by adding Subsections 10.P and 10.Q, to read as follows:

- P. If the written explanation described in Subsection 10.A is provided to a Participant after the Annuity Starting Date to which it relates, the following provisions shall apply:
1. If any payments are required to be made under the provisions of this Plan retroactive to an Annuity Starting Date that is before the date on which such payments actually commence, an appropriate adjustment shall be made for interest through the date of distribution at a rate determined in a uniform and non-discriminatory manner by the Administrator. Notwithstanding the foregoing, if the benefit is subject to the requirements of section 417(e)(3) of the Code, and the Employee would receive a greater amount by applying the actuarial assumptions specified in Subsection 10.J determined as of the date on which payments actually commence to compute the benefit, then the Employee shall receive such greater amount. Furthermore, notwithstanding the foregoing, the amount of the benefit (other than a benefit that is not subject to the requirements of section 417(e)(3) of the Code and commences within 12 months of the Annuity Starting Date) must satisfy the requirements of Appendix B using the actuarial assumptions specified in Subsection 10.J determined as of the Annuity Starting Date and as of the date on which payments actually commence, whichever produces a smaller benefit.
 2. The Employee's election to commence benefits must include the Employee's affirmative election of such Annuity Starting Date, and any required consent of the Employee's spouse, if applicable, must include an affirmative election of such Annuity Starting Date. For this purpose, the Employee's spouse is determined based on the date that pension payments actually commence.

3. If (i) an Employee terminates employment or retires before his Normal Retirement Date, then reaches his Normal Retirement Date before he elects to commence pension payments, and fails to elect one of the forms of pension payment specified in Subsection 10.C, and the requirements of Subsection 10.P.2 are not satisfied or (ii) an Employee retires on or after reaching Normal Retirement Date, fails to elect one of the forms of pension payment specified in Subsection 10.C, and the requirements of Subsection 10.P.2 are not satisfied, the Employee's pension payments shall commence as soon as practicable following the later of his Normal Retirement Date or his actual retirement in the normal form of payment specified in Subsection 10.A and shall be actuarially increased using the assumptions specified in Subsection 10.J to reflect commencement after his Normal Retirement Date or actual retirement date, as applicable.

Q. For purposes of this Section 10, "Annuity Starting Date" means either the first day of the first period for which an Employee is paid an annuity under this Plan or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred that entitle the Employee to such benefit.

IN WITNESS WHEREOF, this amendment has been executed on this ____ day of February, 2005.

**SECOND AMENDMENT TO
CURTISS-WRIGHT ELECTRO-MECHANICAL DIVISION
PENSION PLAN**

WHEREAS, pursuant to Section 18 of the Curtiss-Wright Electro-Mechanical Division Pension Plan ("the Plan"), the Administrative Committee (the "Committee"), may amend the Plan; and

WHEREAS, Curtiss-Wright Electro-Mechanical Corp. ("CWEMC"), as the result of the transaction effective November 1, 2004, by which it acquired certain assets and assumed certain liabilities from Flowserve US Inc. ("Flowserve"), which assets and liabilities related to operations that were known as the Governmental Marine Business Unit ("GMBU") of Flowserve, has established and maintains the Engineered Pump Division ("EPD") of CWEMC; and

WHEREAS, the Committee desires to amend the Plan to designate EPD as an Employer for purposes of the Plan and to implement special provisions applicable to certain represented employees who became participants in connection with the acquisition of EPD,

NOW, THEREFORE, IT IS RESOLVED that the Pension Plan is amended in the following respects, effective as of November 1, 2004:

1. Appendix D is amended by deleting the sentence "No additional entities." and inserting the following new Item 1:
 1. **Engineered Pump Division**
 - A. The business unit denominated the Engineered Pump Division ("EPD"), which unit comprises operations that were acquired by Curtiss-Wright Electro-Mechanical Corporation from Flowserve US Inc. ("Flowserve") and that, prior to such acquisition, were known as the Governmental Marine Business Unit ("GMBU") of Flowserve, shall be deemed an Employer for purposes of the Plan, effective as of November 1, 2004.
 - B. Effective as of November 1, 2004, the EPD business unit shall not be an Excluded Unit for any purpose under the Plan.
 - C. For the purpose of determining the Eligibility Service and Vesting Service of an Employee who had been employed at the GMBU operations of Flowserve prior to November 1, 2004, the GMBU operations of the Flowserve shall be deemed to be a business unit of the Company that had been designated as an Excluded Unit.
-

2. Appendix E is added to the Plan, to read in its entirety as follows:

**Appendix E – Special Rules Applicable to
Specified Represented Employees at Engineered Pump Division**

1. Employees subject to Appendix E

In accordance with the provisions of the agreement between Curtiss-Wright Electro-Mechanical Corporation (“CWEMC”) and Flowserve US Inc. (“Flowserve”) pursuant to which CWEMC acquired from Flowserve operations theretofore known as the Governmental Marine Business Unit (“GMBU”), the provisions of this Appendix E shall be applicable only to the following employees at the Engineered Pump Division (“EPD”) of CWEMC, who are represented by Local 8228 of the United Steelworkers of America (herein “the Grandfathered Represented Employees”):

Tony Amato
Russ Saylor
Tom Volkert

2. Eligibility for Special Early Retirement Benefits

Any Grandfathered Represented Employee who

- (a) has completed at least 15 years of Eligibility Service and who either
 - (i) has attained age 55 or and whose combined age and years of Eligibility Service equals 75 or more or
 - (ii) has not attained age 55 and whose combined age and years of Eligibility Service equals 80 or more, and

- (b) either
 - (i) has been laid off and not recalled within 2 years, or
 - (ii) whose employment has been terminated as a result of a permanent shutdown of the plant or a division thereof, or
 - (iii) who has been laid off as a result the permanent shutdown of a division of the plant and not recalled within 2 years or who has reached the requirements for a Normal Retirement Pension or an Early Retirement Pension at any time during said two-year period of layoff,

shall be eligible to retire and shall upon his retirement be eligible for a pension. His eligibility under clause (b)(i) of the foregoing sentence shall be determined as of the end of such two-years of layoff; his eligibility under clause (b)(ii) of the foregoing sentence shall be determined as of the date of his termination of employment; and his eligibility under clause (b)(iii) of the foregoing sentence shall be determined as of the date that he reaches the requirements for a Normal Retirement Pension or an Early Retirement Pension.

Notwithstanding any provision hereof to the contrary, no pension shall be payable in accordance with this Appendix E for any month with respect to which the Grandfathered Represented Employee claims and is eligible for sickness or accident benefits provided under an Employer program or for similar benefits provided under law. For the purpose of determining a Grandfathered Represented Employee's eligibility for benefits in accordance with this Appendix E, his years of Eligibility Service shall include his period of employment with Flowserve and its predecessors at GMBU, as determined in accordance with the provisions of Part B-7 of the Flowserve Corporation Pension Plan (the "Flowserve Plan").

3. Determination of Special Early Retirement Pension

The amount of the special early retirement pension payable to a Grandfathered Represented Employee who becomes eligible for such pension in accordance with Paragraph 2 shall be determined in accordance with the provisions of Section 4 or Section 5, as applicable, except that (a) the pension will not be actuarially reduced for early commencement; (b) in no month will the pension amount be less than the minimum pension in effect at the time of his retirement; and (c) in no month will the amount of his pension, when added to the pension payable to him under Section 5.2 of Part B-7 of the Flowserve Plan, be less than the amount that would have been payable to him if he had continued to participate in Part B-7 of the Flowserve Plan until the date that he became eligible for a pension in accordance with Paragraph 2 of this Appendix E, taking account of the provisions of Section 5.2 of Part B-7 of the Flowserve Plan relating to the date at which any pension reduction attributable to Social Security benefits may commence."

IN WITNESS WHEREOF, this amendment has been executed on this ____ day of February, 2005.

**CURTISS-WRIGHT CORPORATION
SAVINGS AND INVESTMENT PLAN
As Amended and Restated effective January 1, 2001**

INSTRUMENT OF AMENDMENT

Recitals:

1. Curtiss-Wright Corporation ("the Company") has heretofore adopted the Curtiss-Wright Corporation Savings and Investment Plan ("the Plan").
2. The Company has caused the Plan to be amended and restated in its entirety, effective as of January 1, 2001, in order to maintain the Plan's compliance with the requirements of the Internal Revenue Code ("the Code") and applicable regulations thereunder; and
3. The Company has caused the Plan, as so amended and restated, to be submitted to the Internal Revenue Service, pursuant to Rev. Proc. 2001-6, and has requested the Internal Revenue Service to determine that the Plan is a qualified plan, within the meaning of Sec. 401 of the Code.
4. The Internal Revenue Service, as a condition for the issuance of its determination that the Plan is a qualified plan, has requested that certain amendments be made to the Plan.
5. In accordance with Section. 12.01(b) of the Plan, the Savings and Investment Plan Committee ("the Committee") is authorized to make such amendments to the Plan as may be necessary to maintain its status as a qualified plan.
6. The Committee has reviewed the request made by the Internal Revenue Service and determined that the Plan should be amended in accordance with such request.

Resolution of the Savings and Investment Plan Committee:

1. ***Amendments to the Plan:***

For the reasons set forth in the Recitals to this Instrument of Amendment, the Plan is hereby amended in the following respects:

- a) Section 1.12 is amended by deleting the first paragraph and inserting in lieu thereof the following new paragraph:

“Compensation” means the total of an Employee’s compensation paid by the Employer during any Plan Year, prior to any reduction for deferred compensation under Section 401(k) of the Code, or pursuant to a cafeteria plan under Section 125 of the Code, or pursuant to a qualified transportation fringe under Section 132(f) of the Code.

b) Section 1.26 is amended in its entirety to read as follows:

“Highly Compensated Employee” means, for a Plan Year commencing on or after January 1, 1997, any employee of the Employer or an Affiliated Employer (whether or not eligible for membership in the Plan) who:

- (a) was a 5 percent owner of the Employer (as defined in Section 416(i) of the Code) for such Plan Year or the prior Plan Year, or
- (b) for the preceding Plan Year received Statutory Compensation in excess of \$80,000 and, pursuant to the Employer’s top-paid group election applicable to Plan Years beginning after December 31, 1996, was among the highest 20 percent of employees of the Employer for the preceding Plan Year when ranked by Statutory Compensation paid for that year and excluding, for the purpose of such determination, employees described in Section 414(q)(5) of the Code. The \$80,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Section 414(q) of the Code.

Notwithstanding the foregoing, employees who are nonresident aliens and who receive no earned income from the Employer or an Affiliated Employer which constitutes income from sources within the United States shall be disregarded for all purposes of this Section.

For Plan Years commencing after December 31, 1996, the Employer’s top-paid group election as set forth in subsection (b) shall be used consistently in determining Highly Compensated Employees for determination years of all employee benefit plans of the Employer and Affiliated Employers for which Section 414(q) of the Code applies (other than a multiemployer plan) that begin with or within the same calendar year, until such election is changed by Plan amendment in accordance with IRS requirements. Notwithstanding the foregoing, the consistency provision in the preceding sentence shall not apply for the Plan Year beginning in 1997 and, for Plan Years beginning in 1998 and 1999, shall apply only with respect to all qualified retirement plans (other than a multiemployer plan) of the Employer and Affiliated Employers.

The provisions of this Section shall be further subject to such additional requirements as shall be described in Section 414(q) of the Code and its applicable regulations, which shall override any aspects of this Section inconsistent therewith.

c) Section 8.02(a) is amended by deleting subparagraph (iii) and inserting in lieu thereof the following new subparagraph (iii):

(iii) The period of repayment for any loan shall be arrived at by mutual agreement between the Committee and the Member, but that period shall not exceed five years, unless the loan is to be used in conjunction with the purchase of the principal residence of the Member, in which case that period shall not exceed 15 years. Notwithstanding the foregoing, in the event a Member enters the uniformed services of the United States, loan repayments shall be suspended (and interest shall cease to accrue) during the period of the Member's service in the uniformed services, and the period of repayment shall be extended by the number of months of the period of service in the uniformed services; provided, however, if the Member incurs a termination of employment and requests a distribution pursuant to Article 9, the loan shall be canceled, and the outstanding loan balance shall be distributed pursuant to Article 9.

2. **Effective Date of Amendments:**

The amendments to the Plan set forth in Part 1 of this Resolution shall become effective upon the issuance of a determination by the Internal Revenue Service that the Plan, as so amended, is a qualified plan within the meaning of Sec. 401 of the Code, and the execution of this Instrument of Amendment by a member of the Committee within the time permitted by Sec. 401(b) of the Code and regulations thereunder. The amendment set forth in Part 1(a) shall be effective as of January 1, 1998; the amendment set forth in Part 1(b) shall be effective as of January 1, 1997; and the amendment set forth in Part 1(c) shall be effective as of December 12, 1994.

Curtiss-Wright Corporation
Savings and Investment Plan Committee

By: _____
Date: _____

**CURTISS-WRIGHT CORPORATION
SAVINGS & INVESTMENT PLAN
As Amended and Restated effective January 1, 2001**

SECOND INSTRUMENT OF AMENDMENT

Recitals:

1. Curtiss-Wright Corporation ("the Company") has heretofore adopted the Curtiss-Wright Corporation Savings & Investment Plan ("the Plan").
2. The Company caused the Plan to be amended and restated in its entirety, effective as of January 1, 2001, in order to maintain the Plan's compliance with the requirements of the Internal Revenue Code ("the Code") and applicable regulations thereunder, and caused the Plan, as so amended and restated, to be submitted to the Internal Revenue Service ("IRS"), pursuant to Rev. Proc. 2001-6, for a determination that the Plan is a qualified plan, within the meaning of Sec. 401 of the Code.
3. The IRS, after requesting that certain amendments be made to the Plan, which amendments were duly adopted by the Administration Committee ("the Committee"), in accordance with Sections 12.01(b) of the Plan, issued its determination that the Plan is a qualified plan.
4. Subsequent to the most recent amendment and restatement of the Plan, it has become necessary to further amend the Plan to take account of changes in applicable laws and regulations, acquisitions by the company, and employment and human resource decisions heretofore made by the Company, and it is appropriate for the Board of Directors ("the Board") to ratify and codify amendments heretofore adopted.
5. Section 12.01(a) of the Plan permits the Company to amend the Plan, by written instrument, at any time and from time to time, and the Board has approved the adoption of this Instrument of Amendment and directed that it be executed by the Committee.

Amendments to the Plan:

For the reasons set forth in the Recitals to this Instrument of Amendment, and as authorized by resolution of the Board of Directors of the Company, the Plan is hereby amended in the following respects, to be effective as specified herein:

1. **Section 1.01** is amended, effective as of January 1, 2003, by inserting, immediately after the phrase "the Deferred Account", the new phrase "the Catch-Up Account".
2. **Article 1** is amended, effective as of January 1, 2003, by inserting, immediately after Section 1.09, the following new Sections 1.09A, 1.09B, and 1.09C:

1.09A “**Casual Employee**” means an Employee who, under the Employer’s generally applicable payroll and human resources practices,

- (i) is hired for an assignment of a limited nature and duration, which shall not exceed 90 days; and
- (ii) is classified as being in inactive status upon the completion of an assignment, subject to recall for another assignment of limited nature and duration.

1.09B “**Catch-Up Account**” means the account credited with the Catch-Up Contributions made on a Member’s behalf and earnings on those contributions.

1.09C “**Catch-Up Contributions**” means amounts contributed to the Plan that satisfy the requirements of Section 3.01A.

3. **Section 1.22** is amended, effective as of January 1, 2003, by deleting therefrom the phrase “calendar quarter” and inserting in lieu thereof the phrase “payroll period”.

4. **Article 1** is amended, effective as of January 1, 2003, by redesignating Section 1.39 (defining “Subsidiary”) as Section 1.39A and by inserting, immediately after Section 1.39A, as so redesignated, the following new Section 1.39B:

1.39B “**Temporary Employee**” means an Employee who, under the Employer’s generally applicable payroll and human resources practices,

- (i) is hired for a specific assignment of limited scope that will have a duration of at least 90 days; and
- (ii) is hired subject to the condition that he will be terminated upon completion of such specific assignment.

5. **Section 2.01** is amended, effective as of January 1, 2003, by adding at the end thereof the following new subsection (d):

- (d) Effective as of January 1, 2003, and notwithstanding the provisions of subsection (a), but subject to Appendix A, each Employee shall be eligible to become a Member as of any Enrollment Date following the date on which he became an Employee, provided that he is scheduled to complete (or, if later, actually completes) at least 1,000 Hours of Service in a Plan Year, and provided, further, however, that the foregoing proviso shall not be applicable to a Temporary Employee who is employed by the Enertech Engineering Services unit of Curtiss-Wright Flow Control Corporation. In no event shall a Casual Employee be eligible to become a Member.

6. **Section 2.02** is amended in its entirety, effective as of January 1, 2003, to read as follows:

2.02 **Membership**

An eligible Employee shall become a Member on the first Enrollment Date after the date he files a form or forms prescribed by the Committee or its designee on which he meets all of the following requirements:

- (a) designates the percentage of Compensation he wishes to contribute under the Plan under Section 3.02 or makes the election described in Section 3.01 or 3.01A, or any combination thereof;
- (b) authorizes the Employer to make regular payroll deductions or to reduce his Compensation, or both;
- (c) names a Beneficiary; and
- (d) makes an investment election.

7. **Article 3** is amended, effective as of October 1, 2002, by adding, immediately after Section 3.01, the following new Section 3.01A:

3.01A Catch-Up Contributions

Effective for Plan Years commencing after December 31, 2001, a Member who satisfies the requirements of subsection (a) for a Plan Year may elect, in accordance with subsection (b), to reduce his Compensation and to have the amount by which his Compensation is so reduced contributed to the Plan by his Employer as a Catch-Up Contribution, provided, however, that such Catch-Up Contributions shall be subject to the conditions set forth in subsections (c) and (d).

- (a) A Member satisfies the requirements of this paragraph for a Plan Year if:
 - (i) his 50th birthday is coincident with or prior to the last day of the Plan Year; and
 - (ii) either (A) the Deferred Cash Contributions made on his behalf for the Plan Year have reached the applicable dollar limitation for the calendar year coincident with such Plan Year, as set forth in Section 3.01(b) or (B) his percentage election, as in effect in accordance with Section 3.01(a) is equal to any percentage limitation imposed on such election by the Plan.
- (b) A Member described in subsection (a) may elect, pursuant to Section 3.05 to make Catch-Up Contributions in any percentage from 1% to 25% of his Compensation.
- (c) Any Catch-Up Contributions shall be paid to the Trustee or deposited with the Insurer pursuant to the Group Annuity Contract, as the case may be, as soon as practicable and shall be allocated to the Participant's Catch-Up Account.

- (d) A Member's Catch-Up Contributions in calendar years beginning after December 31, 2001 and prior to January 1, 2007 shall be limited in accordance with the following table:

| <i>Calendar Year</i> | <i>Dollar Limitation</i> |
|----------------------|--------------------------|
| 2002 | \$1,000 |
| 2003 | \$2,000 |
| 2004 | \$3,000 |
| 2005 | \$4,000 |
| 2006 | \$5,000 |

Catch-Up Contributions made on a Member's behalf with respect to any calendar year beginning after December 31, 2006 shall be limited to \$5,000, as adjusted in accordance with Section 414(v)(2)(C) of the Code. In no event shall the Member's Catch-Up Contributions for a Plan Year exceed the excess of his Deferred Cash Contributions for such Plan Year over his Statutory Compensation for such Plan Year.

- (e) The provisions of this Section shall be subject to the requirements of Section 414(v) of the Code and Regulations thereunder.

8. **Article 3** is further amended effective January 1, 2003, by adding, immediately after Section 3.02, the following new Section 3.02A:

3.02A Limitation on Deferred Cash and After-Tax Contributions

The sum of a Member's Deferred Cash Contribution election, plus his After-Tax Contribution election, as in effect for any payroll period, shall not exceed 75% of his Compensation, provided, however, that such Deferred Cash Contributions and After-Tax Contributions may be further limited by the Committee pursuant to Sections 3.07 and 3.08.

9. **Section 3.04** is amended, effective as of September 1, 2002, by deleting therefrom the phrase "or an Employee who has not yet met the eligibility requirements for membership," by inserting in lieu thereof the new phrase "who is then an Employee"; and by inserting, immediately after the phrase "qualified plan", in each place that it appears, the new phrase "or Individual Retirement Account described in Section 408(a) of the Code".

10. **Section 3.05** is amended in its entirety, effective as of September 1, 2002, to read as follows:

3.05 Change in Contributions

The percentages of Compensation designated by a Member under Sections 3.01, 3.01A, and 3.02 shall automatically apply to increases and decreases in his Compensation. A Member may change his election under Sections 3.01, 3.01A, and 3.02 by giving notice to the Committee

or its designee. The changed percentage shall become effective as soon as administratively practicable following the delivery of such notice.

11. **Section 3.06** is amended in its entirety, effective as of September 1, 2002, to read as follows:

3.06 Suspension of Contributions

- (a) A Member may suspend his contributions under Section 3.02 and/or revoke his election under Section 3.01 or 3.01A at any time by giving notice to the Committee or its designee. The suspension or revocation shall become effective as soon as administratively practicable following the delivery of such notice.
- (b) A Member who has suspended his contributions under Section 3.02 may elect to have them resumed in accordance with Section 3.02 by giving notice to the Committee or its designee. A Member who has revoked his election under Section 3.01 or 3.01A may elect to resume having his Compensation reduced in accordance with Section 3.01 or 3.01A by giving notice to the Committee or its designee.

12. **Section 3.07** is amended, effective as of January 1, 2002, by deleting therefrom the first two paragraphs and by inserting in lieu thereof the following three paragraphs:

With respect to each Plan Year commencing on or after January 1 1997 and before January 1, 2002, the Actual Deferral Percentage (ADP) for that Plan Year for Highly Compensated Employees (HCE's) who are Members or eligible to become Members for that Plan Year shall not exceed the ADP for such Plan Year for all Non Highly Compensated Employees (NCE's) for that Plan Year who were Members or eligible to become Members during such Plan Year multiplied by 1.25. If the ADP for such HCE's does not meet the foregoing test, the ADP for such HCE's for that Plan Year may not exceed the ADP for such Plan Year for all NCE's for that Plan Year who were Members or eligible to become Members during such Plan Year by more than two percentage points (2%), and such ADP for such HCE's for the Plan Year may not be more than 2.0 times the ADP for such Plan Year for all NCE's for that Plan Year who were Members or eligible to become Members during such Plan Year (or such lesser amount as the Committee shall determine to satisfy the provisions of Section 3.10).

With respect to each Plan Year commencing on or after January 1, 2002, the ADP for that Plan Year for HCE's who are Members or eligible to become Members for that Plan Year shall not exceed the ADP for the preceding Plan Year for all NCE's for the preceding Plan Year who were Members or eligible to become Members during the preceding Plan Year multiplied by 1.25. If the ADP for such HCE's does not meet the foregoing test, the ADP for such HCE's for that Plan Year may not exceed the ADP for the preceding Plan Year for all NCE for the preceding Plan Year who were Members or eligible to become Members during the

preceding Plan Year by more than two percentage points (2%), and such ADP for such HCE's for the Plan Year may not be more than 2.0 times the ADP for the preceding Plan Year for all NCE's for the preceding Plan Year who were Members or eligible to become Members during the preceding Plan Year (or such lesser amount as the Committee shall determine to satisfy the provisions of Section 3.10).

Notwithstanding the foregoing, the Employer may elect with respect to years beginning on or after January 1, 2004, to use the ADP for NCE's for the Plan Year preceding the Plan Year being tested rather than the current Plan Year, provided that such election must be evidenced by a Plan amendment that complies with regulations under Section 401(k) of the Code.

13. Section 3.08 is amended, effective as of January 1, 2002, by deleting therefrom the first two paragraphs and by inserting in lieu thereof the following three paragraphs:

With respect to each Plan Year commencing on or after January 1 1997 and before January 1, 2002, the Actual Contribution Percentage (ACP) for that Plan Year for HCE's who are Members or eligible to become Members for that Plan Year shall not exceed the ACP for such Plan Year for all NCE for that Plan Year who were Members or eligible to become Members during such Plan Year multiplied by 1.25. If the ACP for such HCE's does not meet the foregoing test, the ACP for such HCE's for that Plan Year may not exceed the ACP for such Plan Year for all NCE for that Plan Year who were Members or eligible to become Members during such Plan Year by more than two percentage points (2%), and such ACP for such HCE's for the Plan Year may not be more than 2.0 times the ACP for such Plan Year for all NCE for that Plan Year who were Members or eligible to become Members during such Plan Year (or such lesser amount as the Committee shall determine to satisfy the provisions of Section 3.10).

With respect to each Plan Year commencing on or after January 1, 2002, the ACP for that Plan Year for HCE's who are Members or eligible to become Members for that Plan Year shall not exceed the ACP for the preceding Plan Year for all NCE's for the preceding Plan Year who were Members or eligible to become Members during the preceding Plan Year multiplied by 1.25. If the ACP for such HCE's does not meet the foregoing test, the ACP for such HCE's for that Plan Year may not exceed the ACP for the preceding Plan Year for all NCE's for the preceding Plan Year who were Members or eligible to become Members during the preceding Plan Year by more than two percentage points (2%), and such ACP for such HCE's for the Plan Year may not be more than 2.0 times the ACP for the preceding Plan Year for all NCE's for the preceding Plan Year who were Members or eligible to become Members during the preceding Plan Year (or such lesser amount as the Committee shall determine to satisfy the provisions of Section 3.10).

Notwithstanding the foregoing, the Employer may elect with respect to years beginning on or after January 1, 2004, to use the ACP for NCE's for

the Plan Year preceding the Plan Year being tested rather than the current Plan Year, provided that such election must be evidenced by a Plan amendment that complies with regulations under Section 401(m) of the Code.

14. Section 7.01 is amended in its entirety, effective as of January 1, 2003, to read as follows:

A Member may withdraw up to one hundred percent (100%) of the value of his After-Tax Contributions at the time of withdrawal, for any reason that the Member deems to constitute a financial emergency, by providing notice to the Committee or its designee.

15. Article 7 is amended, effective as of January 1, 2003, by inserting, immediately after Section 7.01, the following new Section 7.01A:

7.01A Withdrawal of Rollover Account

A Member may withdraw all or any portion of his Rollover Account at any time by providing notice to the Committee or its designee.

16. Section 7.03(d) is amended, effective as of January 1, 2003, by deleting therefrom the last sentence of the first paragraph, and by inserting in lieu thereof the following new sentence:

To demonstrate such necessity, the Member who requests a hardship withdrawal to satisfy a financial need described in subsection (c) must comply with either the requirements of subparagraph (i) or the requirements of subparagraph (ii) of this subsection; provided, however, that the Committee, in its discretion, may require that the Member who requests a hardship withdrawal to satisfy a financial need described in subsection (c) (i) must comply with the requirements of subparagraph (ii).

17. Section 9.03(c) is amended, in its entirety, effective as of March 28, 2005, to read as follows:

Notwithstanding the provisions of subsections (a) and (b), if the value of the Vested Portion of the Member's Accounts is equal to or less than the applicable cash out amount, a lump sum payment shall automatically be made as soon as administratively practicable following the Member's termination of employment. For purposes of this subsection, the applicable cash out amount shall be \$1,000.

18. Section 9.04(a) is amended in its entirety, effective as of April 1, 2003, to read as follows:

(a) Notwithstanding any provision of the Plan to the contrary, distribution of the Member's Accounts shall begin no later than the April 1 following the later of (i) the calendar year in which he attains age 70½ or (ii) the calendar year in which he terminates

employment; provided, however, that if a Member is a five percent owner (as defined in Section 416(i) of the Code), clause (ii) shall not apply. No minimum distribution payments under the provisions of Section 401(a)(9) of the Code will be made to a Member during his employment with the Employer or an Affiliated Employer on or after January 1, 1998, if the Member is not a 5 percent owner as defined above. Such Member may, however, elect to receive in-service withdrawals in accordance with the provisions of Article 7 while he remains in service.

19. **Section 9.04(b)** is amended, effective as of April 1, 2003, by deleting therefrom the phrase "while in service" in each place that it appears.
20. **Section 9.09** is amended, effective as of March 28, 2005, by deleting therefrom the phrase "if the value of the vested portion of a Member's Accounts exceeds (i) \$3,500 if the date of determination is prior to January 1, 2000, or (ii) \$5,000 if the date of determination is on or after January 1, 2000," by inserting in lieu thereof the new phrase "if the value of the vested portion of a Member's Accounts exceeds \$1,000,".
21. **Appendix A** is amended, effective as of January 1, 2002, by deleting therefrom the first paragraph and by inserting in lieu thereof the following new paragraph:

The provisions of this Appendix A shall apply to Employees who were formerly employed by entities that were acquired by the Employer or an Affiliated Employer and, to the extent specified, to Employees who are employed at such operations or facilities subsequent to the acquisition thereof.
22. **Appendix A, Item 7** is amended, effective as of November 1, 2001, by deleting therefrom the date "October 25, 2001" in each place that it appears and by inserting in lieu thereof the new date "November 1, 2001".
23. **Appendix A, Item 8** is amended, effective as of November 5, 2001, by deleting therefrom the date "November 6, 2001" in each place that it appears and by inserting in lieu thereof the new date "November 5, 2001".
24. **Appendix A, Item 10** is amended, effective as of December 12, 2001, by deleting therefrom the date "December 13, 2001" in each place that it appears and by inserting in lieu thereof the new date "December 12, 2001".
25. **Appendix A, Item 11** is amended, effective as of December 19, 2001, by deleting therefrom the date "December 21, 2001" in each place that it appears and by inserting in lieu thereof the new date "December 19, 2001".
26. **Appendix A, Item 12** is amended, effective as of April 1, 2002, by deleting therefrom the date "February 20, 2002" in each place that it appears and by inserting in lieu thereof the new date "April 1, 2002".
27. **Appendix A** is further amended, effective as of April 1, 2002, by adding at the end thereof the following new Item 13:

13. Autronics Corp.

Each former employee of Autronics Corp. who became an Employee as of April 1, 2002, shall be eligible to become a Member on any Enrollment Date on or after he or she completes one year of service, including service with Autronics Corp., and shall remain eligible so long as he or she continues to satisfy the eligibility requirements.

28. **Appendix A** is further amended, effective as of October 29, 2002, by adding at the end thereof the following new Item 14:

14. Curtiss-Wright Electro-Mechanical Corp.

Notwithstanding any provision hereof to the contrary, no Employee who is employed by Curtiss-Wright Electro-Mechanical Corp., or any subsidiary or division thereof shall be eligible to become a Member of this Plan.

29. **Appendix A** is further amended, effective as of December 1, 2002, by adding at the end thereof the following new Item 15:

15. TAPCO

Each former employee of TAPCO International, Inc. who became an Employee as of December 1, 2002, and each Employee who is thereafter employed at the operations acquired by the Employer in connection with its acquisition of the assets of TAPCO International, Inc. shall not be eligible to become a Member prior to October 1, 2004, but shall be eligible to become a Member on any Enrollment Date on or after October 1, 2004.

30. **Appendix A** is further amended, effective as of December 4, 2003, by adding at the end thereof the following new Item 16:

16. Novatronics, Inc.

Notwithstanding any provision hereof to the contrary, no Employee who is employed at any operations or facilities acquired by the Employer in its acquisition of Novatronics, Inc. shall be eligible to become a Participant in this Plan.

31. **Appendix A** is further amended, effective as of April 2, 2004, by adding at the end thereof the following new Item 17:

17. IMES Engineering, Inc.

Each former employee of IMES Engineering, Inc. who became an Employee as of April 2, 2004, shall be eligible to become a Member on any Enrollment Date on or after he or she completes one year of service, including service with IMES Engineering, Inc., and shall remain eligible so long as he or she continues to satisfy the eligibility requirements.

32. **Appendix A** is further amended, effective as of May 24, 2004, by adding at the end thereof the following new Item 18:

18. Nova Machine Products Corp.

Notwithstanding any provision hereof to the contrary, no Employee who is employed at any operations or facilities acquired by the Employer in its acquisition of Nova Machine Products Corp. shall be eligible to become a Participant in this Plan.

Except to the extent amended by this Instrument of Amendment, the Plan shall remain in full force and effect.

**Curtiss-Wright Corporation
Benefits Committee**

By: _____
Paul J. Ferdenzi

Date: _____

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**CURTISS-WRIGHT ELECTRO-MECHANICAL DIVISION
SAVINGS PLAN**

Instrument of Amendment

Recitals:

1. Curtiss-Wright Corporation ("Curtiss-Wright" or "the Company") has established the Curtiss-Wright Electro-Mechanical Division Savings Plan ("the Plan"), a qualified retirement plan that meets the requirements of Section 401(a) of the Internal Revenue Code ("the Code") and that includes a cash or deferred arrangement within the meaning of Section 401(k) of the Code, which Plan was effective as of January 1, 2004.
2. The Company has caused the Plan to be submitted to the Internal Revenue Service, pursuant to Rev. Proc. 2003-6, and has requested the Internal Revenue Service to determine that the Plan is a qualified plan, within the meaning of Sec. 401 of the Code.
3. The Internal Revenue Service, as a condition for the issuance of its determination that the Plan is a qualified plan, has requested that certain amendments be made to the Plan.
4. In accordance with Secs. XII.1 and XIV.2(b) of the Plan, the Administrative Committee is authorized to make such amendments to the Plan as may be necessary to maintain its status as a qualified plan.
5. The Administrative Committee has reviewed the request made by the Internal Revenue Service and determined that the Plan should be amended, in accordance with such request, as specified in this Instrument of Amendment.

Amendment:

For the reasons set forth in the Recitals to this Instrument of Amendment, the Plan is hereby amended in the following respects:

1. The first paragraph of the Introduction to the Plan is amended in its entirety to read as follows;

This Curtiss-Wright Electro-Mechanical Division Savings Plan is effective as of January 1, 2004 ("the Effective Date"). It has been established by and shall be maintained by Curtiss-Wright Corporation, to provide retirement benefits for eligible employees of Curtiss-Wright Electro-Mechanical Corporation ("CWEMC"), a wholly owned subsidiary of Curtiss-Wright Flow Control Corporation. The operations at which the employees initially eligible to participate in the Plan are employed are referred to herein as the Electro-Mechanical Division ("EMD") operations.



2. The fourth paragraph of the Introduction to the Plan is amended in its entirety to read as follows:

The provisions of the Plan, as set forth herein, are intended to apply to participants who were employed at EMD on or after the Acquisition Date and to such other groups of employees as may be included in the Plan pursuant to Sec. XIV.2(b).

3. Section I.24 is amended by adding at the end thereof the following new paragraph:

For purposes of subsection (a), the term “leased employee” means any person (other than a common law employee of the Employer) who, pursuant to an agreement between the Employer and any other person (“leasing organization”), has performed services for the Employer or any related persons determined in accordance with Section 414(n)(6) of the Code on a substantially full-time basis for a period of at least one year and such services are performed under the primary direction of or control by the Employer. In the case of any person who is a Leased Employee before or after a period of service as an Employee, the entire period during which he has performed services as a Leased Employee shall be counted as service as an Employee for all purposes of the Plan, except that he shall not, by reason of that status, become a Participant in the Plan.

4. Section I.29 is amended by deleting phrase “the business unit denominated as the Electro-Mechanical Division of Curtiss-Wright Flow Control Corporation” and by inserting in lieu thereof the phrase “the operations denominated as the Electro-Mechanical Division operations of Curtiss-Wright Flow Control Corporation, a wholly owned subsidiary of the Company, which operations were acquired by Curtiss-Wright Electro-Mechanical Corporation, a wholly owned subsidiary of Curtiss-Wright Flow Control Corporation”.
 5. Section I.37 is amended by inserting, immediately after the phrase “right to”, the new phrase “100% of”.
 6. Section I.63 is amended by inserting, immediately after the phrase “right to”, the new phrase “100% of”.
 7. Section III.4.b is amended by deleting the phrase “may assign to this Plan” and by inserting in lieu thereof the new phrase “may designate for correction under this Plan”.
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8. Section III.4.c is amended in its entirety to read as follows:
 - c. A Participant who has designated, or is deemed to have designated, an Excess Elective Deferral amount for a taxable year for correction under this Plan, in accordance with Subsection II.4.c, shall receive a corrective distribution. A distribution shall be treated as a corrective only if:
 - (1) the Participant has designated an Excess Elective Deferral for distribution under this Plan, or is deemed to have made such a designation, in accordance with Subsection III. 4.b above;
 - (2) the distribution is made after the date on which the Plan received the Excess Elective Deferral; and
 - (3) the Plan Administrator designates the distribution as a corrective distribution of an Excess Elective Deferral.
 9. Section III.6.a(3) is amended in its entirety to read as follows:
 - (3) to make an Additional Contribution (subject to the requirements of Article III.10) for all Non-Highly Compensated Employees eligible to make contributions under Article III.1.a, in a level dollar amount, within the time period required by any applicable law or regulation.
 10. Section III.8 is amended by deleting the phrase "April 15" and by inserting in lieu thereof the new phrase "March 15".
 11. Section III.10 is amended by deleting the phrase "elective contributions" and by inserting in lieu thereof the new phrase "amounts allocable to a Participant's Pre-Tax Contribution Account".
 12. Section III.13.a(2) is amended in its entirety to read as follows:
 - (2) to make an Additional Contribution for all Non-Highly Compensated Employees eligible to make contributions under Article III.1.a in a level dollar amount, within the time period required by any applicable law or regulation.
 13. Section III.19 is amended by deleting the phrase "Article II" and inserting in lieu thereof the new phrase "Article III".
 14. Section VI.4 is amended by designating the text thereof as subsection (a), by deleting from subsection (a), as so designated, the phrase "incurring 5 consecutive 1 year breaks in service (as defined in Code Section 411(a)(6)(C))", and by inserting in lieu thereof the new phrase "he incurs a period of break in service of 5 years".
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15. Section VI.4 is further amended by adding, immediately following subsection (a), as so designated by Item 14 of this Amendment, the following new subsection (b):

b. For purposes of Subsection VI.4.a, the term “break in service” means an event affecting forfeitures. A period of break in service shall be deemed to commence as of the Participant’s severance date and to end on the first date thereafter that he is again employed by the Employer or an Affiliated Entity, provided, however, that if he is reemployed by the Employer or an Affiliated Entity within one year after a severance date, no break in service shall be deemed to have commenced; and provided, further, however, that if an employee is absent from work immediately following his active employment, irrespective of whether the employee’s employment is terminated, because of the employee’s pregnancy, the birth of the employee’s child, the placement of a child with the employee in connection with the adoption of that child by the employee, or for purposes of caring for that child for a period beginning immediately following that birth or placement, a break in service shall be deemed to have commenced only if the Participant does not return to work within two years of his severance date. A period of approved leave of absence or a period of uniformed service duty which is included in the Participant’s Eligibility Service shall not be deemed a period of break in service. For the purpose of determining whether a period of break in service has commenced, a Participant’s severance date, shall be, with respect to employment with the Employer and all Affiliated Entities, the earlier of (i) the date he quits, retires, is discharged, or dies or (ii) the last day of an authorized leave of absence, or if later, the first anniversary of the date on which he is first absent from service, with or without pay, for any reason such as vacation, sickness, disability, layoff, or leave of absence.

16. Section VII.6 is amended by deleting from the fourth paragraph the parenthetical phrase “(or, if the Beneficiary is the Participant’s surviving spouse, commencing not later than the end of the calendar year following the calendar year in which the Participant would have attained age 70½)” and inserting in lieu thereof the new parenthetical phrase “(or, if the Beneficiary is the Participant’s surviving spouse, commencing not later than the end of the calendar year in which the Participant would have attained age 70½)”.

17. Section D of Appendix B is amended by adding at the end thereof the following new sentence:

Any Employer contribution allocated in accordance with this Appendix B.D shall be allocated to a Participant’s Top-Heavy Contribution Account and shall be subject to the provisions of Section VI.3.a.

18. Appendix D is amended by inserting immediately after the text thereof the following new sentence:

There are no special rules in effect as of the Effective Date of the Plan.

Effective Date of Amendments:

The amendments to the Plan set forth in this Instrument of Amendment shall become effective upon the issuance of a determination by the Internal Revenue Service that the Plan, as so amended, is a qualified plan within the meaning of Sec. 401 of the Code, and the execution of this Instrument of Amendment by the Plan Administrator within the time permitted by Sec. 401(b) of the Code and regulations thereunder, and shall be effective as January 1, 2004.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

Exhibit 31.1

CERTIFICATIONS

I, Martin R. Benante, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Curtiss-Wright Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15(e) and 15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2005
/s/ Martin R. Benante

Chairman and Chief Executive Officer

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

Exhibit 31.2

CERTIFICATIONS

I, Glenn E. Tynan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Curtiss-Wright Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15(e) and 15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2005

/s/ Glenn E. Tynan

Chief Financial Officer

Exhibit 32

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Curtiss-Wright Corporation (the "Company") on Form 10-Q for the period ended June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Martin R. Benante, as Chairman and Chief Executive Officer of the Company, and Glenn E. Tynan, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. section 1350, that to the best of his knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martin R. Benante

Martin R. Benante
Chairman and
Chief Executive Officer
August 9, 2005

/s/ Glenn E. Tynan

Glenn E. Tynan
Chief Financial Officer
August 9, 2005

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