PARTICIPANTS

Corporate Participants

Martin R. Benante – Chairman and Chief Executive Officer
Glenn E. Tynan – Vice President and Chief Financial Officer

Other Participants

Stephen E. Levenson – Analyst, Stifel, Nicolaus & Co., Inc.
Rama Bondada – Analyst, RBC Capital Markets Equity Research
Kenneth Herbert – Analyst, Wedbush Securities, Inc.
Eric Hugel – Analyst, Stephens, Inc.
Myles Alexander Walton – Analyst, Deutsche Bank Securities, Inc.
Tyler Hojo – Analyst, Sidoti & Co. LLC
Michael F. Ciarmoli – Analyst, KeyBanc Capital Markets
Christopher A. Bamman – Analyst, Capstone Investments

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen. Welcome to the Curtiss-Wright First Quarter 2012 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later we will conduct a question-and-answer session and instructions will follow at that time. [Operator Instructions] As a reminder, this conference call is being recorded.

I'd now like to turn the conference over to Martin Benante, Chairman, CEO. You may begin.

Martin R. Benante, Chairman and Chief Executive Officer

Well, thank you, Latoya. And good morning, everyone. Welcome to our first quarter 2012 earnings conference call. Joining me today is Mr. Glenn Tynan, our CFO.

I am pleased to report we beat our previously issued guidance for the first quarter, reporting $0.48 per diluted share, excluding the gain of the divestiture of our heat treating business. As you can see this morning, we produced solid sales growth of 11% led by strong performances in our Metal Treatment and Flow Control segments.

Included in our February guidance, we expected our first quarter operating result would be negatively impacted by several issues, including restructuring activities, start-up costs, and strategic investments within our Motion Control segment; start-up costs in our oil and gas business within our Flow Control segment; as well as higher interest and pension costs compared to last year's results. Despite these anticipated items, this EPS performance is one of our strongest first quarter in several years with the exception of last year, which was the highest in the past decade.

And we continue to reposition Curtiss-Wright for improved profitability into the latter half of 2012 and beyond. Overall for 2012, we are maintaining our overall guidance for sales growth and market growth rates, expecting sales growth in defense to 3% to 5% and in commercial of 13% to 15%, for an overall sales increase of 9% to 11%. Our first quarter sales performance along with our outlook for our end-markets provide us with continued optimism in 2012.

I'll now turn the call over to Glenn. Glenn?

Glenn E. Tynan, Vice President and Chief Financial Officer

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

Please note today's discussion will include certain projections and statements that are forward looking as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are not guarantees of future performance. Forward-looking statements always involve risks and uncertainties, and we detail those risks and uncertainties in our public filings with the SEC.

In addition, certain non-GAAP financial measures will be discussed on the call today. A reconciliation is available in the earnings release and at the end of this presentation and will be available on the company's website.

For our agenda today, I will provide you with an overview of Curtiss-Wright's 2012 first quarter performance along with updates to our guidance, followed by Marty, who will discuss our strategic markets and outlook, and then open the call for questions.

We experienced solid growth in sales in the first quarter of 2012 driven by increases in all three of our segments. Operating income, despite being down overall in the quarter, included a strong performance in our Metal Treatment segment.

Our sales results reflect a solid performance in all of our commercial markets, most notably in commercial aerospace based on our position as a key supplier to both Boeing and Airbus, and also in oil and gas due primarily to higher sales of super vessels. We also experienced solid improvement in our power generation and general industrial markets, the latter based on continued improvements in the global economy.

In addition, our performance in defense was driven by the diversification of our business model and based on solid growth in Naval defense, as well as our ability to overcome several challenges, including the winding down of production on several sizable programs and the residual impact of several large program terminations.

Our first quarter results and the remainder of this presentation are presented on a continuing operations basis, meaning that the impact of the heat treating business is excluded and prior-year amounts have been adjusted to conform with the current year presentation accordingly. Overall our sales rose 11% led by a strong 29% increase in our Metal Treatment segment. Overall segment operating income was down 3%, while segment operating margin was 8.2%, down approximately 120 basis points, despite the strong sales and operating income performance in Metal Treatment.

I will provide more details on the specific impacts to segment operating income on the next slide. Meanwhile, new orders grew 7% year-over-year based on our growth in Naval defense and commercial aerospace. Backlog was approximately $1.7 billion, split approximately 70% Flow Control and 30% Motion Control. In addition, our overall book-to-bill was 1.03 for the first quarter of 2012, led by a solid 1.09 ratio in our defense markets, as orders surged more than 20% due to the timing on certain long-term contracts.

Finally, our free cash free flow improved by nearly $40 million compared to 2011, primarily driven by working capital improvements, while capital expenditures were consistent with the prior year.

Next I want to explain some of the key drivers impacting our operating income during the first quarter, some of which are essentially one-time in nature and are expected to contribute to increased profitability starting later this year. In the Flow Control segment, oil and gas played a major role in the segment's performance once again.

As expected, we experienced lower margins during the start-up phase in our new super vessel business, which is still in its first year of operation. However, we expect these margins to improve as the sales volume continues to increase. Flow Control also experienced higher year-over-year long-term compensation cost of over $2 million.

Next within the Motion Control segment, we had planned restructuring costs of approximately $3 million along with start-up costs of $0.5 million relative to our new Emergent Operations facility supporting the Boeing 787 program and the opening of our low-cost facility in Mexico.

In addition, we made approximately $1.3 million of strategic investments in a couple of development programs for Boeing, including the Chinook helicopter and flap tracks for the 737-800 aircraft, which combined could provide approximately $85 million of revenues in the future.

Although these various investments negatively impact operating income in the quarter, they are expected to benefit our full year 2012 and future profitability. In addition to these various impacts to operating income, there also was approximately 30 basis points of acquisition-related margin dilution, primarily in our Flow Control and Metal Treatment segments.

And lastly, as we mentioned on the last call, our operating income was negatively impacted, as expected, by higher pension costs compared to the prior year period.

Now that we've completed the sale of our heat treating business, we wanted to provide a reconciliation of our first quarter earnings per share performance compared to the guidance that we provided to you on the last call. Our first quarter 2012 results, including the heat treating operation – results amounted to $0.48 per diluted share, which exceeded our guidance range of $0.40 to $0.44 provided in February. And for external reporting purposes, the heat treating business' first quarter results and the gain on the sale will be reported as discontinued operations, and all future releases and discussions will focus solely on our results from continuing operations.

Moving to our end-markets. In the first quarter, defense represented 37% of our sales while commercial represented 63%. Overall we achieved strong sales growth of 17% in our commercial markets based on improvements in all three segments. We continue to benefit from the ramp-up in the commercial aerospace market with a strong 43% growth rate that led all of our end-markets in the quarter.

We experienced strong sales across all major Boeing and Airbus platforms, as well as increased demand from the regional jet and commercial helicopter markets, resulting in 18% organic sales growth in this market. In our oil and gas market, we experienced strong demand for our super vessels and higher MRO revenues primarily from international customers. Our business supporting large capital projects internationally continued to be soft.

In our power generation market, we benefited from higher revenues on the U.S. AP1000 projects, as well as increased aftermarket sales supporting existing international operating reactors.

And in our defense market, solid demand in Naval defense for the Virginia-class submarine and the CVN-79 aircraft carrier programs offset lower sales in aerospace and ground defense, due primarily to lower sales on the Global Hawk program, as the development phase winds down, and timing on various aerospace defense programs. We did, however, experience an increase in sales on the Joint Strike Fighter Program and for turret drive systems and ammunition handling systems for international customers.

Next I'll update you on our outlook in our end-markets for 2012. Our updated guidance reflects the removal of our heat treating business from current and prior periods and otherwise remains unchanged for all of our end-markets.

In our defense markets we remain cautiously optimistic. The long-term outlook in Naval defense remains favorable, as well as our outlook for growth in embedded computing and sensor products, due to our position on numerous C4ISR programs.

However, although publicly supported by Secretary Panetta, the timing of future ground vehicle upgrades and modernization programs continues to be uncertain. That said, the recent news from Congress indicating support to reverse the cancellation of the Block 30 Global Hawk program, support full funding of the ground combat vehicle, and provide increased funding for production of the Abrams tanks and Bradley Fighting Vehicle is very encouraging.

In our commercial markets, we expect that the momentum from our strong first quarter in commercial aerospace will continue in 2012, as Curtiss-Wright is well positioned for solid sales supported by the multiyear production up-cycle anticipated in this market.

Meanwhile our strong outlook in power generation is based on the ramp-up in sales for the U.S. AP1000 projects in Georgia and South Carolina, as well as continued solid organic growth for our aftermarket business supporting operating nuclear plants worldwide.

Within our oil and gas market, we expect to see continued steady growth in demand for our super vessels and for refinery-related MRO products. And we remain optimistic that some of our large capital projects will benefit our results later in 2012.

In addition, as we stated earlier, we now expect to see substantial new orders for newly certified oil and gas products beginning in the second and third quarter. And finally, the continued improvements in worldwide economic conditions are expected to provide solid sales growth in our general industrial market.

Therefore we are maintaining our projections for overall sales growth of 3% to 5% in defense and 13% to 15% in commercial. And overall, our outlook for total Curtiss-Wright sales growth of 9% to 11% in 2012 remains unchanged as well.

Let me now cover our segment guidance, which reflects a solid overall sales performance from each of our segments in 2012, as well as overall higher operating income and margin compared to our 2011 results from continuing operations. Guidance in both Flow Control and Motion Control remains unchanged.

The only segment with changed guidance is Metal Treatment. We have adjusted the sales guidance to exclude the $40 million in full year sales pertaining to the heat treating business. The operating income guidance has been adjusted to remove $13 million for the heat treatment business for the full year, and the potential addition of $12 million of previously announced potential restructuring costs that management is currently evaluating.

While on the surface it would appear that overall operating income and margin in this segment will be lower than 2011, I will illustrate on the next slide that if you remove non-recurring impact of the potential restructuring from our 2012 operating income, we would actually have improved operating income and margin for 2012 compared to the 2011 financials from continuing operations. Finally, our forecast for corporate and other expenses changes slightly to approximately $32 million.

Taking a closer look at the updated Metal Treatment segment guidance, as I previously noted, our new guidance reflects the removal of full year sales and operating income pertaining to the heat treating business, along with the inclusion of the potential restructuring.

In addition, the new margin reflects approximately $3 million in under-absorbed Metal Treatment corporate expenses that had been or will be absorbed by the heat treating business and potential facility closures.

However, if you adjust our 2012 guidance to remove the one-time impact of the potential restructuring costs, or approximately $12 million, operating margin will be north of 14%, which would be a 90-basis-point to 110-basis-point improvement from 2011 results from continuing operations.

Looking forward, if you consider the benefit resulting from our potential restructuring in 2012 and expectations for lower Metal Treatment corporate expenses, the margins would be similar to our 2012 initial operating margin guidance, which is why we expect that our 2013 margins will be comparable to prior year levels.

Next I would like to walk you through a reconciliation of our diluted earnings per share guidance. Starting with our 2011 results, the pro forma diluted EPS value of $2.54 per share, shown here, has been adjusted to remove the impact of our heat treating business and also excludes the non-recurring R&D tax credit of $0.09 per share.

For 2012, beginning with the guidance that we provided on the February call, you can see the transition to reach the revised guidance provided on April 2. The guidance of that time of between $3.02 and $3.12 per diluted share included the gain on the divestiture, removal of the heat treating operations from the final nine months 2012, and the impact of our potential restructuring costs.

Next, to reach our updated guidance on a continuing operations basis, we have removed the first quarter discontinued operations of $0.06 per diluted share, as well as the gain of $0.38 per share, to reach our new diluted EPS guidance range of $2.58 to $2.68 per share for 2012.

Furthermore, if you remove the potential restructuring charge of $0.17 per share from our current year figures, the result is an 8% to 12% increase from our 2011 pro forma diluted EPS.

Looking ahead to the remainder of 2012, we now expect to generate approximately 60% of our full year diluted earnings per share from continuing operations in the second half of the year, with the fourth quarter being the largest as we have done historically.

And finally, here are some additional income statement guidance metrics for 2012. In addition to our solid sales growth, we expect the overall operating income from continuing operations to grow 10% to 14% in 2012, and consolidated operating margin to increase 10 basis points to 30 basis points to a range of 9.7% to 9.9%, compared to the 2011 financial results from continuing operations.

This includes the additional $12 million of potential restructuring initiatives in our Metal Treatment segment. In addition, we lowered our interest expense guidance by $2 million based on the first quarter results, primarily due to the results of our interest rate swap program and better-than-expected cash flow performance. We also raised our estimate of diluted shares slightly – diluted shares outstanding for the year.

We have revised our free cash flow estimate down by $10 million to a new range of $80 million to $90 million to reflect the removal of the heat treating business. Please note that as a result of this sale, we expect to net approximately $40 million in cash, which will appear in our cash flow statement and our Form 10-Q as approximately $49 million of cash provided by investing activities, and approximately $9 million negative impact to cash provided by operating activities.

As a reminder, our full-year 2012 free cash flow guidance includes approximately $11 million in additional pension contributions and $12 million in higher interest payments compared to the prior year.

Now I'd like to turn the call back to Marty for his final comments before we wrap up the call. Marty?

Martin R. Benante, Chairman and Chief Executive Officer

Thank you, Glenn. As we have discussed thus far today, we succeeded in beating our previously issued guidance for the first quarter, reporting $0.48 per diluted share. As I mentioned earlier, 2012 was one of our strongest first quarters in the past decade in terms of earnings per share, second only to last year's record first quarter.

Looking ahead, we believe that we are positioned well in 2012, with sales growth forecasted across both our defense and commercial markets. And despite some of the expected operational investments that impacted our first quarter, we continue to project double-digit growth in sales, operating income, and adjusted earnings per share for the full year of 2012.

Starting with our Metal Treatment segment, I want to provide you with some of the strategic rationale behind our decision to sell the heat treating business. First, it was a non-core business, as it was lowest on Metal Treatment's technological pyramid and did not fit our strategic direction to move towards more high-end engineering services.

Furthermore, the business is capital intensive with several aging facilities that would require significant future capital expenditures to add newer equipment and technology. It's also very cyclical in nature with operating costs that are highly sensitive to natural gas prices. Although prices are currently near historic lows, they are expected to rise as world economies improve over time, which would reduce profitability in the future.

Additionally, back in 2009 during the economic downturn, as sales declined, operating costs rose, leading to operating margins of 2%. In the end, we believe that this business is operating at near peak operation toward the high-end of the cycle, and we believe that we received good value for the business. It's also worth noting that we expect to net approximately $40 million in cash as a result of this traction.

As part of our restructuring and consolidation efforts, we are currently evaluating the closure of certain facilities that do not meet our performance criteria. Although we are considering moving certain aspects of these operations out of facilities, a final decision has not been made at this time. If management elects to close these plants, we anticipate that this should have a positive impact on Metal Treatment's performance beginning next year.

The aforementioned initiatives are just a few examples of how Metal Treatment segment is transforming itself. In addition, this segment will continue to strategically diversify and move up the technological pyramid.

Besides being the world leader in shot and laser peening, the recent acquisition of BASF Surface Technologies and IMR Test Laboratories significantly expand their service offering to the higher technological advanced processes of thermal spray coatings and chemical and metallurgical testing. These new strategic expansions are expected to be high growth areas and accretive to Metal Treatment's profitability going forward.

In addition to acquisitions and subsequent organic growth, Metal Treatment will continue to expand and grow through the addition of new greenfield facilities around the world, which generally start-up costs in the beginning leads to future organic growth.

Currently we have 10 greenfield facilities still in the start-up phase, including a plant in India and a second plant in China, with plans for several more over the next few years. In 2012, it is expected that these greenfield operations will generate approximately $10 million in sales with an operating loss of $2 million. We consider green facilities in foreign countries a start-up operation for the first three years, at which time they will become profitable.

Looking at some of our end-markets, I will begin with defense, where we continue to monitor the potential changes affecting the defense industry as a whole and the role that Curtiss-Wright plays.

The Department of Defense certainly has made it clear that widespread budget cuts will be implemented over the next decade. Like our peers, we will be impacted by those decisions. We are beginning to see a few positive signs from Congress' review of the 2013 Budget, as the House of Representatives is looking to add back significant funding that had been previously reduced or eliminated by the Department of Defense.

These include draft legislation to prevent the cancellation of the Block 30 Global Hawk program, the authorization for additional procurement spending for the V-22, F/A-18E, CH-47 Chinook helicopter, Bradleys, and Abrams, and to fully fund the Ground Combat Vehicle into technological development phase.

We are encouraged by the record number of design wins and bid and proposal activities that we are experiencing in 2012, particularly in our embedded computing business. 2011 was a record year for design wins, and bid and proposal activity was particularly strong during the second half of 2011.

We experienced an increase in design wins of greater than 10% in the first quarter of 2012 compared to 2011. The program value of these design wins exceeds $150 million, the majority of which is involved in leading C4ISR programs, upgrades to fields, platforms, or next-generation platform applications, such as radar, missiles, unmanned aerial, vehicle electronics.

Throughout the year we discussed the rationale behind our favorable than average point of view on defense, including we expect our role in the Navy defense to lead our defense results in 2012 with mid-single-digit sale growth, based on the continuing strong support for the expansion of U.S. Navy's shipbuilding program.

We remain very well positioned on key, current, and future events platforms, both domestically and abroad, that will continue to support our growth well into the future. And we expect to benefit from the increased focus on new ISR electronic warfare and communications capabilities. They remain key areas of increased investment dollars in current- and future-year defense spending plans and will continue to support our sales growth in defense.

Overall, we are cautiously optimistical in defense as the balance provides for our diversification – provides downside protection in less favorable items such as these. And in fact, Curtiss-Wright historically has been able to outperform the Department of Defense budget in defense downturns.

In our gas and oil market, we experienced solid sales growth in our refinery-related MRO products by record sales of our traditional safety relief valves. However, our coker business supporting large capital projects continues to be soft. We expect this business to strengthen in the second half of the year due to a large number of proposals that are in final phase of negotiation before our award, but also the introduction of several new coker products, which are drawing strong industrial interest.

The new products include coker center feed and electric actuation, which will substantially reduce our customer's operating and maintenance costs by increasing coke drum life up to several times the current state-of-the-art. These new coker product sales will come sooner than planned so will have a negative impact – a negative short-term impact on our production lines entering the start-up phase.

In the third quarter, after the typical spring turnaround season has subsided, we will consolidate our Houston aftermarket Service Center with our cat cracking facility in Channelview, Texas. This will allow optimum capacity utilization of our new machine shop and offer even stronger services as a combined entity, while reducing our fixed costs.

Cat cracking valve sales are coming in better than expected, as this year is shaping up to be ahead of last year. Super vessel sales continue to be strong as we are completing several large orders. We are pushing some significant orders – we are pursuing some significant orders, which we expect early in the third quarter, which will generate increased sales in the second half of the year.

Overall, the first quarter strength in MRO offset the weakness in large capital projects. And though we expect continued weakness through the second quarter, we are expecting to rebound in the second half of the year, as we indicated during our last call.

Next is our power generation market, and also an update on continued positive events influence our business and the industry. Following the NRC's grant of full regulatory approval for the AP1000 reactor design early this year, in late April, Westinghouse received full notice from SCANA to proceed with the contract for the engineering, procurement, and construction of two Westinghouse AP1000 reactors at its V.C. Summer plant. This comes on the heels of the combined operating license granted to both SCANA and Southern plants in the first quarter.

Construction of the first two U.S. AP1000 nuclear plants in South Carolina and Georgia remain on schedule. Japan recently announced that two of its nuclear reactors in western Japan have been declared safe and would need to be restarted to meet the country's severe energy needs. The reactors will be the first in Japan to restart since the Fukushima crisis last year.

In China, construction essentially made on schedule to the plants currently under development, particularly the world's first Westinghouse AP1000 reactor at Sanmen, which is expected to be operational in 2013. In addition, China has announced it expects to restart reactor construction approvals later this year.

South Korea announced plans to overhaul older nuclear reactor equipment at the nine reactors that have been in operation for more than 20 years, which will translate into future sales opportunities for Curtiss-Wright.

Next an update on the AP1000 program. As you hopefully saw in our April 16 press release, we are expecting to report that we successfully – we are excited to report that we have successfully completed the full qualification testing of the lead AP1000 Reactor Coolant Pump. The stator winding temperature issue from earlier this year was well within acceptable tolerances for both China and domestic projects.

The conclusion of qualification testing included 50 service cycles and more than 500 total operating hours, clearing the way for installation of the reactor coolant pumps at Sanmen Unit 1 in China, the first AP1000 reactor to be built in the world. The first two RCPs for Sanmen 1 are expected to be ready for shipment in the second quarter, which will meet our customer's delivery requirements.

Furthermore, the successful completion of testing also led to praise from Chairman Wang of the State Nuclear Power and Technology Corporation of China, who stated that not only will the successful completion of this important test have a significant positive impact on the AP1000 projects in China and the United States, but also for the promotion of the AP1000 to other international markets.

Finally, we still expect our next major AP1000 order to come from China later this year. Overall, our long-term view on both new-built and existing nuclear reactor power generation businesses both in the United States and across the globe remains favorable.

Turning to other matters, we will continue to invest in the future and build our company through acquisitions and organic investments, and strategically expand our unique portfolio of highly engineered advanced technologies, enabling Curtiss-Wright to continue to outperform in the markets we serve.

Additionally, our consistent focus on improved operational efficiency and higher profitability has positioned us to grow our profits faster than our sales once again in 2012, which ultimately will increase the long-term competitiveness of our business.

A few examples of the type of investments that we are making. The completion of our second low-cost manufacturing facility in Mexico, a greenfield approach for Curtiss-Wright that we deem necessary to revamp our aerospace business to meet industry needs. Despite near-term start-up costs that impact the first quarter of 2012, and will continue throughout the next few quarters, we anticipate potential savings from this facility of approximately $6 million per year over the next few years.

In addition, we implemented further restructuring in the first quarter of the Motion Control segment. While we incurred approximately $3 million of cost in the first quarter, and expect another $1 million in the second quarter, we will begin to see some of the approximately $7 million of annual savings in the second half of the year.

And as previously indicated, we continue to invest in greenfield facilities. For example, in our Metal Treatment segment, we currently have 10 greenfield facilities in start-up phase, which are expected to generate approximately $10 million in sales and a $2 million operating loss in 2012.

And also expected to move beyond certain operational investments in 2012, which have impeded our results in recent quarters, including investment in AP1000 as we work to complete the qualification testing for our reactor coolant pumps, and start-up costs related to our super vessel business in our Flow Control segment, which is about to enter its second year of operation.

Overall, our outlook for Curtiss-Wright in 2012 and future years remains bright, reflecting our disciplined capital deployment strategy combined with our commitment to return cash to shareholders through solid earnings per share growth, dividends, and share repurchases.

Now, at this time, I'd like to open up the conference for calls.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question is from Steve Levenson of Stifel, Nicolaus. Your line is open.

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

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

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

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: I think it's great, the efforts that you're making to shift things around towards higher margin businesses. And I'm wondering in terms of the acquisition strategy, is there a particular focus on one segment or another, or away from one segment or another, as you go forward?

<A – Marty Benante – Curtiss-Wright Corp.>: No, right now, we have our three acquisition teams are out. Obviously, in the Metal Treatment we're looking for more advanced technologies. We have a lot more metallurgical services that we are providing. We're expanding our laser peening efforts or businesses.

In our Flow Control, once we get through some of the start-up costs within the Flow Control area, the gas and oil, that business will be in very good stead. So we are looking in all three of our businesses to acquire businesses.

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Thanks. Do you think there's low-hanging fruit in the aero structures area and would that be it? It seems like a pretty fragmented business other than a few large operators.

<A – Marty Benante – Curtiss-Wright Corp.>: Not the structures. We're not really that interested in structure.

<Q – Stephen Levenson – Stifel, Nicolaus & Co., Inc.>: Great. Thank you very much.

<A – Marty Benante – Curtiss-Wright Corp.>: Thanks, Steve.

<A – Glenn Tynan – Curtiss-Wright Corp.>: All right, thanks, Steve.

Operator: Thank you. Our next question is from Rama Bondada of the Royal Bank [RBC Capital Markets]. Your line is open.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Great. Thank you.

<A – Marty Benante – Curtiss-Wright Corp.>: Good morning, Rama.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Good morning.

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

<A – Marty Benante – Curtiss-Wright Corp.>: Good morning.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Just kind of going back to the sale of the heat treatment business, you guys gave us some pretty good color about your reasoning behind the sale. But just looking at the sale price, if my math is right, it looks like it was sold for three, three and half times EBITDA. I know you said there was some CapEx that probably needed to be brought online for that business. But is that kind of how we should be thinking about for most of that segment?

<A – Marty Benante – Curtiss-Wright Corp.>: No, no. I think Glenn will set you straight. We know what the mathematics are.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Sure.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, again, the way we look at it, you can't – because that business is so cyclical, as Marty pointed out, I think if you go back to 2009 they had a 2% operating margin, and you can imagine what their EBITDA was, right. So if you go back over the last six years, so, yes, this is a peak year for them; therefore, we feel we got a good price. But we look at it, as we go back, they average over the last six years about $8 million in EBIDTA, very spiky, but on average, historically, that's what we get from this business.

And if you consider that $8 million EBIDTA, that would be a 6.5 multiple, which is the way we look at it. And in these businesses, I think we said 5 to 6 multiple has been historically what we get so we thought 6.5 multiple was pretty good.

<A – Marty Benante – Curtiss-Wright Corp.>: Right. And if you look at, it to add a little bit more color, first of all, one of the businesses that was bought by Bodycote, we purchased from them in 2001. We really haven't made any investment. So the facilities weren't in the greatest of shape. It has extremely high fixed cost, and the operational cost is – can vary just based on the fuel prices.

So when you look at it, Bodycote's the leader in heat treating. They know what a fair price is; we know what a fair price is. No one was taken advantage of during that transaction. But we look at it being a little bit higher sales as far as the EBIDTA level than what you calculated.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Okay. All right. Then looking out for Metal Treatment, this was a business that was doing 20% margins back in 2006 and 2008. Does this change the potential for them – for that segment to get back to 20% margins in a couple of years here?

<A – Marty Benante – Curtiss-Wright Corp.>: We think we can approach it, yes. I think one of the things when we look at that restructuring next year that would add a whole percentage point to their profitability. The only thing that you're going to continue to see drags on...

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Is that improved percentage point from 2011?

<A – Marty Benante – Curtiss-Wright Corp.>: From 2012.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: 2012. Okay.

<A – Marty Benante – Curtiss-Wright Corp.>: Going into 2013 with those changes. The thing – the only thing that's going to drag them down is that we are expanding into new countries who don't have these facilities. So we're not going to be buying things; we're going to be putting in greenfield. But the numbers as the economy continues to expand will continue to improve.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Rama, just to add to that, maybe just to clarify something that's in the thing. When you look at their margins this year, you add back the restructuring – I think I said they're in the 14%, 14.2% range.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Right.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Now what happened is, because of the sale of that business. And if we close some facilities to some under-absorbed management expenses, Metal Treatment, that we expect to minimize over the next couple years, and the benefit of the restructuring cost, if we do it with benefit going forward, would get us back to pretty much where our guidance was this year. So we will march – they neutralize each other.

<A – Marty Benante – Curtiss-Wright Corp.>: Right. And then you'll have – the economy picks...

<A – Glenn Tynan – Curtiss-Wright Corp.>: Back to our original guidance, yeah.

<A – Marty Benante – Curtiss-Wright Corp.>: And then if the economy picks up, the profitability should pick up.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Got it. Got.

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

<Q – Rama Bondada – RBC Capital Markets Equity Research>: And then finally, could you just give us the new add market mix now in that Metal Treatment business following this divestiture?

<A – Glenn Tynan – Curtiss-Wright Corp.>: The end-market mix?

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Yeah, so how much is it towards commercial? How much is it towards power generation, general industrials, oil and gas, defense?

<A – Glenn Tynan – Curtiss-Wright Corp.>: You know what, I don't think – we don't really have that at our fingertips. We can – we'll work that up for you.

<A – Marty Benante – Curtiss-Wright Corp.>: It really doesn't change that much.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, I think the heat treating was heavily weighted towards the general industrial. So you may see that come down a little bit. But I don't know if it'll be material enough to change it dramatically.

<Q – Rama Bondada – RBC Capital Markets Equity Research>: Okay. All right. Great. Thanks a lot, guys.

<A – Marty Benante – Curtiss-Wright Corp.>: Okie doke.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Okay, Rama.

Operator: Thank you. Our next question is from Ken Herbert of Wedbush. Your line is open.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Hi. Good morning.

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

<A – Marty Benante – Curtiss-Wright Corp.>: Hi, Ken.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Just a first question. Just to follow up on an earlier question, you've got your debt levels down now I think the lowest they've been in several quarters. You've got a significant amount of cash on the balance sheet now. Marty, would you consider an acquisition that would be beyond the traditional bolt-on deals you've been doing over the last couple of years as you look at either other end-market exposure or potential technologies?

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

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. So I can take that that you've got a – clearly you're in a – financially the balance sheet's looking very strong right now relative to where it's been. And so I guess to assume that you've got some – you're looking at a pretty wide range, I guess, is how I'd put it?

<A – Marty Benante – Curtiss-Wright Corp.>: We are. And we didn't limit ourselves previously, but I think there's more opportunity now than in the past couple years to look at larger businesses not from our balance sheet standpoint, but what's available on the market and what we see out there. You know M&A has been a little bit slow. I think that's been shared by quite a few of the companies, but we do see some pretty good properties out there right now.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. That's helpful. And as I look at the end-markets, just two follow-up questions. It looks like, I mean, clearly commercial aero continues to grow very well and acquisitions helping there very nicely. Do you – the guidance would imply that clearly that growth slows significantly. And I know starting here in the second, third, fourth quarter, the comparisons get very hard. But how do you see that potential relative to the guidance for that business over the rest of this year?

<A – Marty Benante – Curtiss-Wright Corp.>: Are we talking about commercial aerospace?

<Q – Ken Herbert – Wedbush Securities, Inc.>: Commercial aerospace, yes.

<A – Marty Benante – Curtiss-Wright Corp.>: Okay. Well, I think what happens is you're going to start to see the ramp-up of increased small body airplanes by both Airbus and Boeing. The other thing is that our new facility we put in for EVO to assist the plant in South Carolina for Boeing on their 787. It's just in the start-up, but we expect that to be in the next couple of years $15-million-plus there.

So we still see pretty good growth in the aerospace industry. And we are also putting our second facility in Mexico based on the expansion of both production and new business that we have received from Boeing. And we indicated we have the 737 transmission flap tracks that we expect over the next few years to be about $40 million in revenue. And that's one of the reasons why we're opening up in Mexico, also to improve our margins. So we see some pretty good growth in the next few years.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay, that's helpful. And on power generation it looked like this quarter that the existing reactor sales growth was lower than we'd seen over the last few quarters with the new reactor sales obviously driving the upside here.

<A – Marty Benante – Curtiss-Wright Corp.>: Right.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Is that really due to some difficult comparisons? And do you see – what's your outlook specifically for the...

<A – Marty Benante – Curtiss-Wright Corp.>: I'm sorry for cutting you off. Go ahead, I'm sorry.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Well, I was just going to say, what's your outlook specifically for the existing reactor sales, operating reactor sales through the rest of this year?

<A – Marty Benante – Curtiss-Wright Corp.>: Well, the thing is we expect it to improve. On our last call we talked about the new standards have to be implemented based on Fukushima, and that companies was going to be a double-edged sword. That we will have a lot more sales because of the requirements, the increased requirements that the plants in other states have to go through based on the Fukushima incident.

Well, right now they are curtailing some of their sales so they can have money to pay for these efforts. And these efforts are right now in the walk-down phase and valuation stage, which we'll be assisting. And then as time goes on, there's going to be equipment, and that's going to be a very lucrative business for us. But we said there was going to be a short-term disruption in the amount of money we're going to receive from operating plants, and that's exactly what took place in the first quarter.

But those Fukushima efforts are taking place. You'll see some improvement in the second quarter this year. But you're really going to see some pretty good sales in 2013 and 2014 and a little bit beyond that. So that's the reason why the first quarter was a little bit light.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. Thank you very much. And thanks for all the additional disclosure.

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

<A – Marty Benante – Curtiss-Wright Corp.>: Thank you.

Operator: Thank you. Our next question is from Eric Hugel of Stephens, Inc. Your line is open.

<Q – Eric Hugel – Stephens, Inc.>: Hey, good morning, guys.

<A – Marty Benante – Curtiss-Wright Corp.>: Hey, Eric, how you doing?

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

<Q – Eric Hugel – Stephens, Inc.>: Hey, Marty, on the oil and gas with regards to these large projects, I mean, these things have been – being delayed for quite a while.

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

<Q – Eric Hugel – Stephens, Inc.>: What gives you the confidence today that this is all just going to happen now in the back half of the year and that we won't see continued foot dragging?

<A – Marty Benante – Curtiss-Wright Corp.>: As I said during our discussions, that we are actually in negotiations and the finalization of negotiations for some of those projects. So that gives us more than a little bit of confidence.

We're starting to see things not moving to the right as much. Again, most of these sales are to foreign countries. So what we're experiencing in the United States is different than what's going on in the other parts of the world.

And they are expanding their refinery capabilities. The only problem is, is that they sometimes put their projects off, and we actually, obviously, have experienced that. But we are in the throes of negotiating those contracts.

We have a lot more bidding, a lot more outstanding quotations, and a lot more customer interest in new projects. And again, we also talked about some of the new products that we are putting out there, which will also help improve sales-wise, maybe not profit-wise in this year. But obviously it will be the first introduction of products. But, those products should be doing very well in 2013 and 2014 and beyond.

<Q – Eric Hugel – Stephens, Inc.>: Fair enough. With regards to your sales growth, are you still – I guess last quarter when somebody asked the question with regards to what was the embedded organic growth in that sales number, is that still in the 6% to 8% range?

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

<Q – Eric Hugel – Stephens, Inc.>: So you did 3% organic growth in the first quarter. Can you talk about where maybe a little more specifically what areas of the business are you expecting to see a nice or a real big ramp-up in the organic growth story here?

<A – Marty Benante – Curtiss-Wright Corp.>: Well what you're seeing, Eric, first of all, if you look at the defense side, is the termination of large contracts that had accrued sales where you're allowed to take sales and profitability as you experienced costs. That's being replaced with book-to-bill.

So we're going back to that phenomena that we had not too long ago, where you're experiencing the cost in the first couple quarters, but you're shipping the product out and you're getting your sales and your profitability in the third and fourth quarter. So that's one of the fundamental shifts.

If you take a look at sales in both commercial and military, now between the first and last quarter, almost every one of them goes up by $100 million. But subsequent increases every quarter and then by the last quarter is almost a $100 million increase from the first quarter. So you're going to see improved profitability. And you're also going to have the restructuring in Motion Control over by the end of next quarter; that will break even.

<Q – Eric Hugel – Stephens, Inc.>: Don't – Marty, I'm talking sort of organic sales growth.

<A – Marty Benante – Curtiss-Wright Corp.>: Oh, I see.

<Q – Eric Hugel – Stephens, Inc.>: So I assume that this pattern happens every year. So, I mean, the comps are somewhat similar, right? In that regard.

<A – Marty Benante – Curtiss-Wright Corp.>: Right.

<Q – Eric Hugel – Stephens, Inc.>: So what's going to – again, if you're looking for 6% to 8% sort of full year organic, you did 3% in the first quarter. What's sort of really ramping that higher as we go through the year?

<A – Marty Benante – Curtiss-Wright Corp.>: Well, you've just got, I mean, more of defense and commercial sales growth.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Oil and gas, again, as we said, is going to ramp up when those new projects hit for the rest of the year. Power generation, we're in that beginning phase of the bell curve right now. So they're going to be ramping up for the rest of the year. If you could see, we did 9% in the quarter. Guidance is much more than that. So that's the other – that's the U.S. contracts starting to ramp up now as we move pas Chinat. Those are probably the two biggest drivers.

<Q – Eric Hugel – Stephens, Inc.>: And I guess, lastly, and I'll get back in the queue, you guys talk about the potential for your, I guess, $12 million, the $0.17 restructuring. It doesn't sound like things are completely finalized. Is that number sort of everything sort of that you could possibly think of, imagine? Or is that sort of a middle of the road kind of number? Might it go higher, might it be lower? Or how should we think about, and when would that be decided?

<A – Marty Benante – Curtiss-Wright Corp.>: No. That's the highest number.

<Q – Eric Hugel – Stephens, Inc.>: Okay.

<A – Marty Benante – Curtiss-Wright Corp.>: So right now we're working out certain details with our customers to make sure that it can take place this year. But we put out the highest number out there, so that just disclosing what we think we can see in the future.

<Q – Eric Hugel – Stephens, Inc.>: Actually, Glenn, real quick. What was the D&A in the quarter?

<A – Glenn Tynan – Curtiss-Wright Corp.>: D&A in the quarter, $23 million.

<Q – Eric Hugel – Stephens, Inc.>: Great. Thanks a lot, guys.

<A – Glenn Tynan – Curtiss-Wright Corp.>: You got it.

<A – Marty Benante – Curtiss-Wright Corp.>: All right.

Operator: Thank you. Our next question is from Myles Walton of Deutsche Bank. Your line is open.

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

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

<A – Marty Benante – Curtiss-Wright Corp.>: Hey, how are you doing?

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Good. I'm trying to understand, and I apologize if you alluded to it. But the implied Motion Control margins in the last three quarters is about 15%, I think, if I got the math right. And you did – obviously you reported 7.8%. If you correct for the restructuring, you get another 300 basis points or so, so you're at, call it 10% or so.

But I'm wondering, how do you get from the 10% in the first quarter clean to 15% in the final three quarters? And I heard a couple of puts and takes; one was the restructuring benefit, and the other was the greenfield losses. And I guess, can you just give me some confidence color that the low end of the guidance in Motion Control is hittable.?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, I mean, I think you hit the main pieces, meaning we have restructuring costs in Q1 primarily, a little bit in Q2, and the benefits in the second half of the year, which can be pretty substantial. You also have, again, strategic investments that are going to go away. And their sales increase is typically – I know you mentioned 15% for the quarter. But it probably doesn't – as even as that, they always have a big fourth quarter, you know, which gets them to that 15% that you need for the rest of the year.

So I think between the sales, the elimination of the strategic investments and the benefits from them, as well as the elimination of the restructuring costs and the benefit from that, gives us confidence that we're going to [indiscernible] (53:44) again.

<A – Marty Benante – Curtiss-Wright Corp.>: And the start-up costs that we've had on some of the programs are going to be gone, and they're going to be a lot more profitable.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: But then, again...

<A – Marty Benante – Curtiss-Wright Corp.>: There's a lot of moving pieces.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Yeah, I know.

<A – Marty Benante – Curtiss-Wright Corp.>: Not only to the quarter but to the year, without a doubt.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Yeah. That's why I wanted to just delve just one layer deeper. So just to quantify them a little bit, you said $2 million would be the cost – the losses on the greenfields for the next three quarters?

<A – Marty Benante – Curtiss-Wright Corp.>: That's on the Metal Treatment.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: The Metal Treatment.

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

<A – Glenn Tynan – Curtiss-Wright Corp.>: On Motion Control, we had about $0.5 million of start-up costs in the first quarter. It's just cost, right. There's not really much revenue. So there may be a little bit more of that in the second quarter. But once they start having sales, that turns from cost to profit. That's the Motion Control piece of that.

Metal Treatment has a number of greenfields. As you know, that's their operating model. So they always have 5 to 10 or so greenfields in start-up phase at any particular point in time.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. That makes sense. And then – so what is the payback for the full year of the restructuring, the $3 million or so you had in the first quarter?

<A – Marty Benante – Curtiss-Wright Corp.>: Approximately $7 million.

<A – Glenn Tynan – Curtiss-Wright Corp.>: It's $7 million on an annualized basis.

<A – Marty Benante – Curtiss-Wright Corp.>: On an annualized basis, right.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hopefully, a good piece of that in 2012.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: The timing's not...

<A – Marty Benante – Curtiss-Wright Corp.>: To make that that break even.

<A – Glenn Tynan – Curtiss-Wright Corp.>: But that's – yeah.

<A – Marty Benante – Curtiss-Wright Corp.>: We expect to break even by the end of the year.

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

<A – Marty Benante – Curtiss-Wright Corp.>: So that $4 million we've spent this year will be recouped before the end of the year.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay.

<A – Marty Benante – Curtiss-Wright Corp.>: And then it should be $7 million a year annually going forward.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. The other one is on Metal Treatment. So into 2013 – and I think Rama's question was alluding to this. But the margin profile, Glenn, you mentioned can get back to where you had your original 2012 guidance for margins for Metal Treatment. And the original margins guidance for Metal Treatment, obviously inclusive of heat, were 16.5%?

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

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: You can get to 16.5% in 2013?

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

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

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: That's our expectations, yes.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And I guess the other question is, you sold the business at peak margins and peak operating conditions. Were you expecting that you would have to put a big slug of capital into it like this year, next year? Or was it more the nat gas prices that were too tempting to not sell here?

<A – Glenn Tynan – Curtiss-Wright Corp.>: It's actually both. I mean, but, yeah, we were estimating, if we were going to operate this business going forward, about $10 million in capital we would have had to put in. Now whether it all would have come out this year, I don't – in one year, I'm not sure. But we didn't take it that far, because we didn't plan to do that. We're going to let Bodycote do that. But, yeah – and the natural gas prices, of course.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And I guess the other piece, on the AP1000. What is the timeline for handing off the first pump at this point?

<A – Marty Benante – Curtiss-Wright Corp.>: The end of May.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: End of May. Okay. And then the presumption would be order to follow on sometime this summer?

<A – Marty Benante – Curtiss-Wright Corp.>: Well, what we said was that the government, the Chinese government, was looking to start relicensing, and they'll get back together in September. So if they were to do something in September, then we will definitely see something by the end of the year.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: September. Okay.

<A – Marty Benante – Curtiss-Wright Corp.>: Right.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: And then the last one, a clarification, I guess. Glenn, you mentioned strategic investment. In the commentary for Motion Control, I think you said $1 million or $1.5 million?

<A – Glenn Tynan – Curtiss-Wright Corp.>: $1.3 million.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: $1.3 million. Okay. As you – I think you mentioned the Chinook and another program.

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

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: As you look at that, are we to – should we interpret that as essentially negative EACs to programs you already had? Or is this internal R&D to win a new program?

<A – Marty Benante – Curtiss-Wright Corp.>: No. That's...

<A – Glenn Tynan – Curtiss-Wright Corp.>: It's internal R&D.

<A – Marty Benante – Curtiss-Wright Corp.>: The latter.

<A – Glenn Tynan – Curtiss-Wright Corp.>: It's R&D. Specific development costs to win those contracts. And I think we said...

<A – Marty Benante – Curtiss-Wright Corp.>: Well, we already – the thing is, we already won them. We're just developing the product.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, no revenues.

<A – Marty Benante – Curtiss-Wright Corp.>: That you'll start seeing shipments and profitability during the second half of this year.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: So those costs were anticipated in the prior guidance?

<A – Marty Benante – Curtiss-Wright Corp.>: Yes, right. We're just trying to supply that to quickly go through the reasons why...

<A – Glenn Tynan – Curtiss-Wright Corp.>: Why the first quarter is what it is, right.

<A – Marty Benante – Curtiss-Wright Corp.>: Why the first quarter looks like what it does.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Got it. Okay. No, that's helpful. Thanks again.

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

Operator: Thank you. Our next question is from Tyler Hojo of Sidoti & Company. Your line is open.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Yeah, hi. Good morning.

<A – Marty Benante – Curtiss-Wright Corp.>: Hi, Tyler.

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

<Q – Tyler Hojo – Sidoti & Co. LLC>: Just really quick. What was the split in the power-generation-related sales between new construction and aftermarket in the quarter? And I'm also kind of wondering what the expectation is embedded in the guidance for the year?

<A – Glenn Tynan – Curtiss-Wright Corp.>: I don't have the breakdown that way for the first quarter, Tyler.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Well, could you maybe talk about the full year? Just ballpark numbers?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Let me – just give me a moment.

<Q – Tyler Hojo – Sidoti & Co. LLC>: I think last year you were about $100 million new builds and [ph] products (59:07) in aftermarket?

<A – Glenn Tynan – Curtiss-Wright Corp.>: And I believe I gave that number out last quarter. But I just – hold on a second.

<Q – Tyler Hojo – Sidoti & Co. LLC>: I can maybe follow up offline on that one. The other question I had was just in regards to the laser peening business. It's been a while since we've got an update there. I'm kind of curious, how big is that business today? And maybe if you could just discuss what the growth prospects are there, how penetrated that opportunity is?

<A – Marty Benante – Curtiss-Wright Corp.>: Well, right now it's between $16 million and $17 million. It's not much greater. We used to report between $12 million and $14 million. The thing is, is that a lot of the original work that it was doing on the Rolls-Royce engines have come to a minimum. And we've gotten a lot more business from steam turbines. We're dealing with all the major steam turbine operators. We also have in-plant lasers at both Boeing – we also are putting one in in Singapore and also in South Carolina. So it's becoming a lot more diverse.

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

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hey, Tyler, the power generation of [ph] flee race (1:00:35) it's about, approximately, one-third new build, two-thirds operating reactors.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Is that for the full year or in the quarter, or both?

<A – Glenn Tynan – Curtiss-Wright Corp.>: It's the full year. I don't have the quarter.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Okay, great. And the only other thing I had – I don't know if this was provided or not. But if you could just provide the backlog by segment?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Backlog is $1.180 billion for Flow Control, and about $535 million for Motion Control.

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

<A – Marty Benante – Curtiss-Wright Corp.>: Okay. Take care.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Take care, Tyler.

Operator: Thank you. Our next question is from Michael Ciarmoli of KeyBanc Capital Markets. Your line is open.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Hey, good morning, guys. Thanks for taking my questions.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hey, good morning, Mike.

<A – Marty Benante – Curtiss-Wright Corp.>: How are you doing?

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Good, good. Glenn, the heat treating that you sold, was that one of the most profitable business units within the Metal Treatment segment? I mean, certainly looking at the sales and operating income, it looks to be running at a very high level.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Well, again, if you look at just 2012, which is a peak of all-time for them, yeah. But as I said before, as we looked at the prices they generate about approximately, on average, about $8 million of EBIDTA from this business on average over the year. So that's kind of – yeah, on the face of it right now, but that's why we got [indiscernible] (1:02:01).

<A – Marty Benante – Curtiss-Wright Corp.>: There're other – in shot peening, laser peening, there's other businesses that had the same amount of profitability.

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

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

<A – Marty Benante – Curtiss-Wright Corp.>: The other thing is, is that also when you take a look at the thermal spray and also the mechanical testing, the metallurgical testing, if you took out their purchase accounting, they'd also be quite high. But right now you're getting a drag on that business from the purchasing and accounting.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. Okay, that's helpful. And I may have missed this. In the new guidance you provided, specifically on the operating income from continuing ops, it looks like the midpoint has been lowered by a couple million dollars. Is that just the function of some of the increased restructuring in the Motion Control segment? Or is there anything else to that, why that operating income number, excluding the heat treatment and the restructuring you laid out, why that would trend lower?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Nothing sticks out. It sounds like – no.

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

<A – Glenn Tynan – Curtiss-Wright Corp.>: Nothing comes to mind.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. So then just on the – a couple more. You changed, I guess, a little bit the growth forecast for some of the end-markets. I guess you tweaked down oil and gas; you tweaked down general industrial. I mean, you obviously held the full year revenue growth the same. Anything specifically in general industrial that caused you to moderate that a little bit?

<A – Glenn Tynan – Curtiss-Wright Corp.>: It was all solely due to the heat treatment.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: That's all a function of the heat treatment, why that came down?

<A – Glenn Tynan – Curtiss-Wright Corp.>: It was predominantly in general industrial. That's the only change we really made to the guidance.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay, perfect. And then, just two more. I know on the last quarter you talked about the HVAC business within Flow Control being a pretty good growth opportunity. I think you were targeting about 18%. How is that business tracking so far?

<A – Marty Benante – Curtiss-Wright Corp.>: Unfortunately, I made a mistake in my last statement. It wasn't 18%. It would have had to be for the third and fourth quarter. It's got a small growth, but its profitability is improving quite a bit.

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

<A – Marty Benante – Curtiss-Wright Corp.>: So I actually made a mistake when I looked at certain numbers and gave you the difference between the third and fourth quarter sales compared to full year. So I'm glad you brought that up. Everybody else, I'm sure, were shaking their head like where the heck did they get that kind of growth from?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yes, we were.

<A – Marty Benante – Curtiss-Wright Corp.>: So we weren't lucky.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: All right. Perfect, perfect. And then just the last one, you guys, obviously, you're used to operating with a back-end loaded year, fourth quarter being heavy.

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

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: I mean, how are you calibrating some of the challenges, maybe, that might impact defense with another continuing resolution, lame-duck Congress, and sequestration out there? I mean, would you say your guidance sort of brackets that? Or just trying to get a sense of how you sort of structured the guidance to account for those risks?

<A – Marty Benante – Curtiss-Wright Corp.>: Obviously, you heard that our backlog is quite high. So we have quite a bit of the orders in backlog book-to-bill. We have maybe a 30% go-get in the book-to-bill area. So there's some variability there, but based on the amount of outstanding quotes we have, we feel we can meet it.

So right now everything's tracking very well to give us what we're looking for. That doesn't mean that it's going to end up perfect, quite frankly.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Got you.

<A – Marty Benante – Curtiss-Wright Corp.>: But I think we have enough of the good numbers there and how we see the quarters laying out that'll get us to where we want to go.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. Perfect. Thanks a lot, guys.

<A – Marty Benante – Curtiss-Wright Corp.>: No problem.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thank you, Mike.

Operator: Thank you. And our final question is from Chris Bamman of Capstone Investments. Your line is open.

<Q – Christopher Bamman – Capstone Investments>: Good morning, gentlemen.

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

<A – Marty Benante – Curtiss-Wright Corp.>: Hi, Chris.

<Q – Christopher Bamman – Capstone Investments>: Just a couple quick questions. Just with first with the guidance. Are you considering $0.48 or $0.42 to be the continuing operations?

<A – Glenn Tynan – Curtiss-Wright Corp.>: $0.42 was the continuing operations in the first quarter. $0.48 was reported.

<Q – Christopher Bamman – Capstone Investments>: Okay. So the guidance is based off the $0.42?

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

<A – Marty Benante – Curtiss-Wright Corp.>: That's correct.

<Q – Christopher Bamman – Capstone Investments>: Okay. And then just, looking at the aerospace defense market with the C4IRS (sic) [C4ISR] (1:06:16) type of applications. Can you maybe just provide a little bit more color on what the outlook is on that with regard to timing of appropriations? I know that was an area of focus for you.

<A – Marty Benante – Curtiss-Wright Corp.>: One of problems is that we're not tied to any large program. Our orders have been shifted a little bit because there's a cancellation of large orders, but we have hundreds of customers in that area. If something goes forward, we're on it; if something gets reduced, we're on it. So – but we have won a lot of brand new programs there. But there are on various programs. So it's not easy to go through what essentially moves the needle.

<Q – Christopher Bamman – Capstone Investments>: Got you.

<A – Marty Benante – Curtiss-Wright Corp.>: It's just a matter of, we're on every new program there is.

<A – Glenn Tynan – Curtiss-Wright Corp.>: I think Marty mentioned, Chris, about one of the things we look at in that business is the design wins, which were up 10% in the first quarter; that's 10% from a record year last year. So that's encouraging. And that's primarily embedded computing and C4ISR programs.

<A – Marty Benante – Curtiss-Wright Corp.>: That's right.

<Q – Christopher Bamman – Capstone Investments>: Okay. That's terrific. Thank you.

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

Operator: There are no further questions on the line at this time.

Martin R. Benante, Chairman and Chief Executive Officer

Well, thank you for joining us today. And I look forward to speaking with everybody during our second quarter earnings call. Take care and thank you very much.

Glenn E. Tynan, Vice President and Chief Financial Officer

Thank you.

Operator: Ladies and gentlemen, this concludes today's conference. You may now disconnect. Good day.