CURTISS WRIGHT CORP

FORM 10-Q
(Quarterly Report)

Filed 11/12/1998 For Period Ending 9/30/1998

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

SECURITIES and EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1998

Commission File Number 1-134

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

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

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

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

Yes X No

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

Common Stock, par value $1.00 per share: 10,203,582 shares (as of October 15, 1998)

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

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

(In thousands)

	September 30, 1998	December 31, 1997
Assets:		
Cash and cash equivalents	$ 7,171	$ 6,872
Short-term investments	54,832	61,883
Receivables, net	51,707	41,590
Deferred tax asset	7,206	8,806
Inventories	53,563	49,723
Other current assets	2,082	2,506
Total current assets	176,561	171,380
Property, plant and equipment, at cost	234,650	219,587
Less, accumulated depreciation	163,256	153,704
Property, plant and equipment, net	71,394	65,883
Prepaid pension costs	41,842	38,674
Goodwill	13,908	3,797
Other assets	4,869	4,974
Total assets	$308,574	$284,708
Liabilities:		
Accounts payable and accrued expenses	$ 27,455	$ 24,540
Dividends payable	1,326	
Income taxes payable	3,477	4,845
Other current liabilities	11,855	9,244
Total current liabilities	44,113	38,629
Long-term debt	10,347	10,347
Deferred income taxes	9,883	8,799
Other liabilities	22,028	22,080
Total liabilities	86,371	79,855
Stockholders' equity:		
Common stock, $1 par value	15,000	15,000
Capital surplus	51,241	52,010
Retained earnings	335,561	318,474
Unearned portion of restricted stock	(131)	(342)
Accumulated other comprehensive Income	(3,778)	(3,289)
	397,893	381,853
Less, cost of treasury stock	175,690	177,000
Total stockholders' equity	222,203	204,853
Total liabilities and stockholders' equity	$308,574	$284,708

See notes to consolidated financial statements.

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

(In thousands except per share data)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	1998	1997(1)	1998	1997(1)
Net sales	$182,854	$160,237	$62,603	$52,677
Cost of sales	122,132	105,466	41,752	33,675
Gross margin	60,722	54,771	20,851	19,002
Research and development costs	934	1,441	343	495
Selling expenses	7,859	5,944	3,003	2,008
General and administrative	22,126	23,606	7,412	7,979
Operating income	29,803	23,780	10,093	8,520
Investment income, net	2,311	2,488	730	640
Rental income, net	2,622	2,195	859	454
Other income (expense), net	(31)	2,104	(110)	2,355
Interest expense	292	307	107	118
Earnings before taxes	34,413	30,260	11,465	11,851
Provision for taxes	13,349	10,179	4,707	3,775
Net earnings	$ 21,064	$ 20,081	$ 6,758	$ 8,076
Weighted average number of common shares outstanding	10,193	10,170	10,193	10,170
Basic earnings per common share	$2.07	$1.97	$0.66	$0.79
Diluted earnings per common share	$2.04	$1.95	$0.66	$0.78
Dividends per common share	$0.390	$0.375	$0.130	$0.125

(1) Prior year information has been restated to conform to current presentation.

See notes to consolidated financial statements.

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

(In thousands)

	Nine Months Ended September 30 1998	1997
Cash flows from operating activities:		
Net earnings	$21,064	$20,081
Adjustments to reconcile net earnings to net cash provided by operating activities (net of business acquired):		
Depreciation and amortization	7,724	7,124
Net gains on short-term investments	(223)	(1,309)
Net gains on sales of excess property		(2,008)
Increase in deferred taxes	2,684	714
Changes in operating assets and liabilities:		
Proceeds from sales of trading securities	274,113	190,006
Purchases of trading securities	(265,069)	(196,079)
Increase in receivables	(3,462)	(3,141)
Increase in inventory	629	(3,631)
Increase (decrease) in progress payments	(2,078)	396
Increase (decrease) in accounts payable and accrued expenses	422	907
Increase (decrease) in income taxes payable	(1,368)	643
Increase in other assets	(3,145)	(2,421)
Decrease in other liabilities	(2,352)	(2,568)
Other, net	265	(1,642)
Total adjustments	8,140	(13,009)
Net cash provided by operating activities	29,204	7,072
Cash flows from investing activities:		
Proceeds from sales of real estate and equipment	40	3,493
Additions to property, plant and equipment	(6,981)	(8,460)
Acquisition of new businesses	(19,313)	
Net cash used by investing activities	(26,254)	(4,967)
Cash flows from financing activities:		
Dividends paid	(2,651)	(2,543)
Net cash used by financing activities	(2,651)	(2.543)
Net increase (decrease) in cash and cash equivalents	299	(438)
Cash and cash equivalents at beginning of period	6,872	6,317
Cash and cash equivalents at end of period	$ 7,171	$ 5,879

See notes to consolidated financial statements.

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

(In thousands)

	Common Stock	Capital Surplus	Retained Earnings	Uearned Portion of Restricted Stock Awards	Equity Adjustments from Foreign Currency Translation	Treasury Stock
December 31, 1996	$10,000	$57,127	$299,740	$(608)	$(1,506)	$181,390
Net earnings			27,885			
Common dividends			(5,137)			
Stock dividends (two for one split)	5,000	(5,000)				(4,014)
Stock options exercised, net		(117)				(376)
Amortization of earned portion of restricted stock				266		
Translation adjustments, net					(1,783)	
December 31, 1997	15,000	52,010	318,474	(342)	(3,289)	177,000
Net earnings			21,064			
Common dividends			(3,977)			
Stock options exercised, net		(769)				(1,310)
Amortization of earned portion of restricted stock				211		
Translation adjustments, net					(489)	
September 30, 1998	$15,000	$51,241	$335,561	$(131)	$(3,778)	$175,690

See notes to consolidated financial statements.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

NOTES to CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS of PRESENTATION

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

The information furnished in this report has been prepared in conformity with generally accepted accounting principles and as such reflects all adjustments, consisting primarily of normal recurring accruals, which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Corporation's 1997 Annual Report on Form 10-K. The results of operations for these interim periods are not necessarily indicative of the operating results for a full year. Certain reclassifications of prior year amounts have been made in order to conform to the current presentation.

2. ACQUISITIONS

On April 30, 1998, the Corporation purchased the Alpha Heat Treaters ("Alpha") division of Alpha-Beta Industries, Inc. Alpha services a broad spectrum of customers from its York, Pennsylvania location and provides a number of metal treating processes including carburizing, surface hardening, stress relieving, induction hardening and black oxide surface treatment services. The Corporation acquired the net assets of Alpha for approximately $6.1 million in cash and has accounted for the acquisition as a purchase. The excess of purchase price over the fair value of the net assets is approximately $1.0 million and is expected to be amortized over 25 years. The fair value of the net assets acquired was based on preliminary estimates and may be revised at a later date.

On July 31, 1998, the Corporation purchased the assets of Enertech, LLC (Enertech) which distributes, represents and manufactures a number of products for sale into commercial nuclear power plants, both domestically and internationally. Enertech also provides a broad range of overhaul and maintenance services for such plants from its two principal locations in California and Georgia. Enertech has annual sales of about $25.0 million. The Corporation acquired the net assets of Enertech for approximately $15.2 million in cash of which $13.2 million was paid at closing and $2.0 million deferred to a specific future contract date subject to adjustments as provided in the agreement. The acquisition was accounted for as a purchase. The excess of purchase price over the fair value of the net assets is approximately $9.1 million and is expected to be amortized over 30 years. The fair value of the net assets acquired was based on preliminary estimates and may be revised at a later date.

3. RECEIVABLES

Receivables, at September 30, 1998 and December 31, 1997, include amounts billed to customers and unbilled charges on long-term contracts consisting of amounts recognized as sales but not billed at the dates presented. Substantially all amounts of unbilled receivables are expected to be billed and collected within a year. The composition of receivables for those periods is as follows:

	(In thousands) September 30, 1998	December 31, 1997
Accounts receivable, billed	$55,609	$49,110
Less: progress payments applied	11,821	10,460
	43,788	38,650
Unbilled charges on long-term contracts	16,208	13,022
Less: progress payments applied	6,310	8,335
	9,898	4,687
Allowance for doubtful accounts	(1,979)	(1,747)
Receivables, net	$51,707	$41,590

4. INVENTORIES

Inventories are valued at the lower of cost (principally average cost) or market. The composition of inventories at September 30, 1998 and December 31, 1997 is as follows:

	(In thousands) September 30, 1998	December 31, 1997
Raw materials	$ 5,206	$ 5,514
Work-in-process	23,145	22,686
Finished goods	24,617	21,782
Inventoried costs related to U.S. Government and other long-term contracts	5,272	5,547
Total inventories	58,240	55,529
Less: progress payments applied, principally related to long-term contracts	4,677	5,806
Net inventories	$53,563	$49,723

5. ENVIRONMENTAL MATTERS

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

The Corporation is joined with many other corporations and municipalities as potentially responsible parties (PRPs) in a number of environmental cleanup sites, which include the Sharkey Landfill Superfund Site, Parsippany, NJ, Caldwell Trucking Company Superfund Site, Fairfield, NJ, and Pfohl Brothers Landfill Site, Cheektowaga, NY, identified to date as the most significant sites. Other environmental sites in which the Corporation is involved include but are not limited to Chemsol, Inc. Superfund Site, Piscataway, NJ, and PJP Landfill, Jersey City, NJ

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

6. COMPREHENSIVE INCOME

Effective January 1, 1998, the Corporation adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS No. 130). SFAS No. 130 establishes standards for reporting and displaying changes in equity from non-owner sources. Total comprehensive income for the nine months ended September 30, 1998 and 1997 is as follows:

(In thousands)

	September 30, 1998	September 30, 1997
Net earnings	$21,064	$20,081
Equity adjustments from foreign currency translations	(489)	(2,396)
Less: Proforma tax effects	171	839
Net adjustments	(318)	(1,557)
Total comprehensive income	$20,746	$18,524

7. EARNINGS PER SHARE

The Corporation accounts for its earnings per share (EPS) in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share" (SFAS No. 128). Diluted earnings per share were computed based on the weighted average number of shares outstanding plus all potentially dilutive common shares issuable for the periods. Dilutive common shares for the third quarters of 1998 and 1997 were 10 and 14, respectively, and were 138 and 135 for the nine months ended September 30, 1998 and 1997, respectively, consisting primarily of outstanding stock options. Prior year earnings per share information has been restated to reflect a 2 for 1 stock split paid December 23, 1997.

8. RECENTLY ISSUED ACCOUNTING STANDARDS

On June 15, 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivatives and Hedging Activities" (SFAS No. 133). SFAS No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999 (January 1, 2000 for the Corporation). SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. Management of the Corporation anticipates that, due to its limited use of derivative instruments, the adoption of SFAS No. 133 will not have a significant effect on its results of operations or its financial position.

PART I - ITEM 2
CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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

RESULTS of OPERATIONS

Operating income for the third quarter of 1998 increased 18% to $10.1 million from $8.5 million for the same period of last year and sales for the quarter rose 19% to $62.6 million from $52.7 million for the prior year period. Net income, excluding a 1997 gain on the sale of excess land, rose 11% to $6.8 million or $.66 per diluted share in the 1998 third quarter from 1997 third quarter net income of $6.1 million or $.60 per share. Including the 1997 gain on the sale of land of $2.0 million, 1997's third quarter net income was $8.1 million or $.78 per share.

Sales increases were achieved in all of the Corporation's businesses in the most recent quarter. These increases were augmented by sales from Enertech, the valve manufacturing, distribution and service concern acquired on July 31, 1998 and sales from Alpa Heat Treaters acquired on April 30, 1998.

New orders received during the 1998 quarter declined from those received in the same 1997 period, totaling $46.3 million, compared with orders of $53.6 million received last year. The decline in orders is attributable to an unusually high level of orders received from Boeing during the 1997 quarter.

Financial results for the first nine months of 1998 mirrored those of the third quarter with sales, operating income and net income (excluding the gain on the sale of land) all posting double-digit increases. Sales for the 1998 first nine months of $182.9 million improved 14% over 1997 nine-month sales of $160.2 million. Operating income jumped 25% to $29.8 million from $23.8 million for the comparable 1997 period. Net income rose to $21.1 million or $2.04 per diluted share, a 17% improvement over 1997 nine-month income (excluding the land sale gain) of $18.1 million or $1.78 per share. Net income for the 1997 nine-month period was $20.1 million or $1.95 per diluted share.

Operating Performance

The Corporation's metal-treating business continues to achieve substantial increases in sales for 1998, as compared with the prior year. Sales improved 14% for the third quarter of 1998, reflecting increases in applications, particularly in aerospace, oil tool, petro-chemical and other industrial markets, worldwide. In addition, sales for the third quarter of 1998 benefited from contributions of an additional heat treating facility in York, Pennsylvania acquired in April 1998. For the first nine months of 1998, sales improvements also reflect newly opened facilities in Germany, England and Kansas. Operating income of this business also improved over the prior year for both the third quarter and first nine months of 1998, reflecting improved sales in traditional markets, growth in servicing flapper valve components, lower overhead costs and a reduction in start-up costs from new facilities.

The Company's flow control product lines posted increases in sales and operating income when comparing the third quarter and first nine-month periods of 1998 with those of 1997. These sales increases largely reflect the July 1998 acquisition of Enertech, LLC. Enertech manufactures, distributes and represents a number of products for sale into commercial nuclear power plants, both domestically and internationally, and provides a broad range of overhaul and maintenance services for such plants. In 1998, sales of commercial valve products increased reflecting work performed for a foreign nuclear power plant under a contract received in late 1997. Operating earnings for the nine-month period also benefited from improved cost performance on valve remakes and upgrade programs. While the Asian financial situation has not had an adverse effect on this business, the Corporation anticipates some slow-downs or stretch-outs in orders from this area in the future.

Sales generated from our aerospace product lines posted increases in the third quarter of 1998, as compared with the third quarter of 1997, primarily reflecting the continued high level of original equipment manufactured (OEM) products for Boeing. Sales of actuation components and systems for commercial customers increased in the nine-month 1998 period for the same reason and operating income attributable to this commercial business increased in conjunction with these sales increases. However, as we approach the projected peak of the jetliner production cycle, we continue to experience a number of cost and efficiency issues in this business. Sales of military actuation products improved slightly in the third quarter of 1998, as increased sales generated by the initial lot for the F-18 LEX program were largely offset by declines in revenue from the F-22 and F-16 programs. Sales of military actuation products for the first nine months of 1998 were slightly below those of 1997, as sales benefits from the completion of "safety of flight testing" on F-22 components early in 1998 were offset by the end of an F-16 retrofit shaft contract and lower foreign military sale procurements. During this nine-month period the Corporation's military OEM production programs have experienced inefficiencies, higher- than-expected manufacturing costs and provisions for higher anticipated costs related to development program test efforts. Sales of aerospace component overhaul services to foreign regions, while slightly below expectations, have been steady in 1998 and are above 1997 levels for the third quarter and first nine-month periods. The economic problems of foreign regions, including Asia, have not had an adverse impact on current performance. Over the first nine-months period of 1998, the Company's sales of overhaul and repair services in the aggregate have improved 8% compared with the prior year period.

Non-Operating Revenues and Costs

Non-operating revenues for the first nine months of 1998 totaled $4.9 million compared to $6.8 million for the same period 1997. In the third quarter of 1998 such revenues totaled $1.3 million against $3.4 million in the 1997 quarter. In the third quarter of 1997 Curtiss-Wright sold 688 acres of excess property at two locations. The gain from the sale of those two parcels of property net of tax was approximately $2.0 million or $.20 per share (adjusting for the stock split).

Curtiss-Wright's performance for the third quarter and nine-month periods of 1998 and 1997 has been hampered by significantly higher administrative costs related to a lawsuit the Company has been pursuing. The goal of this litigation is to obtain insurance reimbursement of a substantial portion of the environmental expenses the Corporation has incurred over the past decade and a half. All pre-trial discovery in this matter has now been completed, and the Company is seeking to move it to the trial stage.

The Corporation's administrative costs in the first nine months of 1998 were reduced $3.2 million by accrued income generated from the Corporation's over funded Pension Plan. In that period of 1997, accrued income from the Plan totaled $2.6 million.

CHANGES IN FINANCIAL CONDITION

Liquidity and Capital Resources
The Corporation's working capital declined during the third quarter from the June total of $139.6 million to $132.4 million, approximately the same level as the December 1997 year-end amount of $132.8 million. The current ratio at September 30, 1998 of 4.0 to 1 was reduced from the June 30, 1998 ratio of 4.4 to 1.

The change in working capital for the nine months 1998 period includes a $6.8 million decrease in cash, cash equivalents and short-term investments reflecting the $13.2 million expended in account of the acquisition of Enertech and the $6.1 million spent in connection with Alpha Heat Treaters. Net billed and unbilled receivables increased due to lower progress payments received and higher sales for the quarter, in part from the Enertech acquisiton. The increase in inventory is attributable primarily to Enertech also.

The Corporation continues to maintain its $22.5 million revolving credit lending facility and its $22.5 million short-term credit agreement, which provide additional sources of capital to the Corporation. The revolving credit agreement, of which $11.0 million remains unused at September 30, 1998, encompasses various letters of credit issued primarily in connection with outstanding industrial revenue bonds. There were no cash borrowings during the first nine months of 1998 and no outstanding balances for borrowed funds under the agreement at September 30, 1998.

During the first nine months of 1998, internally generated funds were adequate to meet capital expenditures of $7.0 million. Expenditures were primarily for machinery and equipment needed for the expansion of our metal treating operations. Internally generated funds were also used for the April 1998 purchase of Alpha Heat Treaters, and the July 1998 purchase of Enertech. Approximately $5 million of capital expenditures are anticipated for the balance of the year to be used primarily for purchasing machinery and equipment for our operations. An additional $.5 million of expenditures connected with environmental remediation programs at the Corporation's Wood-Ridge, New Jersey Business Complex are anticipated for the balance of 1998.

Recently Issued Accounting Standards
As discussed in Note 7 to the Consolidated Financial Statements, the Corporation is reviewing the requirements for the adoption of Statement of Financial Accounting Standards No. 133, "Accounting for Derivatives and Hedging Activities." It is anticipated that the Statement will not have a material effect on the Corporation's results of operations or financial condition due to Curtiss-Wright's limited use of derivative instruments. The Statement is effective for the Corporation beginning January 1, 2000.

Year 2000
As many computer systems and other equipment with embedded chips or processors (collectively, "Business Systems") use only two digits to represent the year, they may be unable to process accurately certain data before, during or after the year 2000. As a result, business and governmental entities are at risk for possible miscalculations or systems failures causing disruptions in their business operations. This is commonly known as the Year 2000 ("Y2K") issue. The Y2K issue can arise at any point in the Company's supply, manufacturing, processing, distribution and financial chains.

The Company and each of its operating units are in the process of implementing a Y2K program with the objective of having all of their business systems, including those that affect facilities and manufacturing activities, functioning properly with respect to the Y2K issue before January 1,2000. Each operating entity of the company is in a different stage of readiness. The scope of work includes ensuring the compliance of all applications, operating systems and hardware on mainframe, PC and LAN platforms, non- information technology software and equipment and addressing key suppliers and customers.

The first component of the readiness program was to identify the internal business systems of the Company that are susceptible to system failures or processing errors as a result of the Y2K issue. This effort is substantially complete.

The second component of the Y2K readiness program involves the actual remediation and replacement of business systems. The Company is using both internal and external resources to identify Y2K non-compliance problems, modify code and test the modification. Those business systems considered most critical to continuing operations are being given the highest priority. In some cases, non-compliant software and hardware will be replaced. Based on the current schedule, the Company expects to be in full compliance with its internal business systems during 1999.

As part of the Y2K readiness program, significant service providers, vendors, suppliers and customers that are believed to be critical to on-going business operations have been identified and contacted in an attempt to ascertain their stage of readiness through questionnaires and other available means. To the extent that responses to Y2K readiness are unsatisfactory, the Company intends to seek alternative suppliers, service providers or contractors who have demonstrated Y2K readiness. In the event that any of the Company's significant customers and suppliers do not successfully and timely achieve Y2K compliance, and the Company is unable to replace them with new customers or alternate suppliers, the Company's business or operations could be adversely affected.

Concurrently, with the Y2K readiness measures described above, the Company and its operating units are developing contingency plans intended to mitigate the possible disruption in business operations that may result from the Y2K issue and are developing cost estimates for such plans.

It is currently estimated that the incremental costs of the Company's Y2K remediation efforts will be approximately $.3 million of which approximately $.1 million has been spent. These costs are being expensed as they are incurred. The costs associated with the replacement of computerized systems and hardware are currently estimated to be $.3 million, which would be capitalized. These amounts do not include any costs associated with the implementation of contingency plans which are in the process of being developed.

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

Euro Conversion
Curtiss-Wright operates in Europe through metal treatment and overhaul and repair service facilities located in the United Kingdom, France, Germany, Belgium and Denmark. On January 1, 1999, eleven participating members of the European Monetary Union will establish fixed conversion rates between their exisiting currencies and the Euro. Existing currencies will continue to be used as legal tender through January 1, 2002. Thereafter, those currencies will be cancelled and replaced solely by Euro notes and coinage. At this time the United Kingdom, the source of most of the Corporation's european sales, is not participating in this change. The Corporation anticipates that the Euro conversion will not have a material adverse impact on its financial condition, results of operations or liquidity.

FORWARD-LOOKING STATEMENTS

Because forward-looking statements involve risks and uncertainties, actual results may differ materially from those which are expressed or implied. Such statements in this report include those contained in (a) environmental costs referred to in the Environmental Matters note to the Consolidated Financial Statements and in the Results of Operations portion of the Management Discussion and Analysis ("MD&A") section hereof, (b) projections relative to the costs of compliance with SFAS No. 133, referred to in a note to the Consolidated Financial Statements and in the Results of Operations portion of the MD&A section hereof, (c) information relating to future capital expenditures contained in the Changes in Financial Condition portion of the MD&A section hereof, (d) comments regarding the impact of the financial situation in Asia referred to in the Results of Operations portion of the MD&A section hereof, (e) projections relative to the cost of compliance with Year 2000 issues in the MD&A section hereof and (f) projection relative to the cost of Euro conversion in the MD&A section hereof. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, (i) unanticipated environmental remediation expenses or claims;
(ii) a reduction in anticipated orders; (iii) an economic downturn; (iv) changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations; (v) changes in the competitive marketplace and/or customer requirements; (vi) an inability to perform customer contracts at anticipated cost levels and (vii) other factors that generally affect the business of aerospace and industrial companies.

PART II - OTHER INFORMATION

Item 5. OTHER INFORMATION

(a) On October 26, 1998, the Board of Directors of Curtiss-Wright Corporation approved a stock repurchase program. Under this program the Company is authorized to purchase up to 300,000 shares or approximately 3% of its common stock outstanding. Purchases were authorized to be made from time to time in the open market or privately negotiated transactions, depending on market or other conditions.

(b) On November 2, 1998, Curtiss-Wright announced it had reached a definitive agreement to acquire 100% of the shares of SIG Drives Technology Ltd., a unit of SIG Swiss Industrial Company Group (SIG). The transaction is expected to close on or about December 31, 1998.

SIG Drive Technology (SDT), headquartered in Neuhausen am Rheinfall, Switzerland, is a leading provider of high-technology drive solutions for three principal markets; commercial marine propulsion, train and military vehicles. SDT's overall sales are expected to exceed $20 million in 1999 with a current backlog of over $40 million. SDT provides electrohydraulic actuation. SDT also provides an array of proprietary drive system technologies and system integration capabilities the Corporation can supply to existing customers and introduce us to new markets world-wide.

Item 6. EXHIBITS and REPORTS on FORM 8-K

(a) Exhibits

Exhibit 27 - Financial Data Schedules (Page 19)

(b) Reports on Form 8-K

The Registrant did not file any report on Form 8-K during the quarter ended September 30, 1998.

SIGNATURES

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

CURTISS-WRIGHT CORPORATION
(Registrant)

By: s/Robert A. Bosi

Robert A. Bosi
Vice President - Finance

By: s/Kenneth P. Slezak

Kenneth P. Slezak
Controller

Dated: November 12, 1998

ARTICLE 5

MULTIPLIER: 1000

PERIOD TYPE	9 MOS
FISCAL YEAR END	DEC 31 1998
PERIOD END	SEP 30 1998
CASH	7,171
SECURITIES	54,832
RECEIVABLES	53,686
ALLOWANCES	1,979
INVENTORY	53,563
CURRENT ASSETS	176,561
PP&E	234,650
DEPRECIATION	163,256
TOTAL ASSETS	308,574
CURRENT LIABILITIES	44,113
BONDS	10,347
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	15,000
OTHER SE	187,203
TOTAL LIABILITY AND EQUITY	308,574
SALES	182,854
TOTAL REVENUES	187,787
CGS	122,132
TOTAL COSTS	153,051
OTHER EXPENSES	31
LOSS PROVISION	0
INTEREST EXPENSE	292
INCOME PRETAX	34,413
INCOME TAX	13,349
INCOME CONTINUING	21,064
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	21,064
EPS PRIMARY	2.07
EPS DILUTED	2.04

End of Filing