

# CURTISS WRIGHT CORP

## FORM 10-Q (Quarterly Report)

Filed 5/10/2005 For Period Ending 3/31/2005

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Sector	Capital Goods
Fiscal Year	12/31

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2005  
Commission File Number 1-134

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

Delaware  
(State or other jurisdiction of  
incorporation or organization)

13-0612970  
(I.R.S. Employer  
Identification No.)

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

07068  
(Zip Code)

(973) 597-4700  
(Registrant's telephone number, including area code)

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

Yes  No

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

Yes  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: 12,850,028 shares (as of April 30, 2005).

Class B Common Stock, par value \$1.00 per share: 8,764,246 shares (as of April 30, 2005).

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**

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**PART I – FINANCIAL INFORMATION**  
**Item 1. Financial Statements**

**C URTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
**(UNAUDITED)**

(In thousands except per share data)

	Three Months Ended March 31,	
	2005	2004
Net sales	\$ 258,487	\$ 214,933
Cost of sales	<u>172,718</u>	<u>143,338</u>
Gross profit	85,769	71,595
Research and development expenses	10,228	8,212
Selling expenses	16,924	12,604
General and administrative expenses	33,468	25,249
Environmental remediation and administrative expenses	83	240
Pension expense, net	500	40
(Gain) loss on sale of real estate and fixed assets	<u>(2,913)</u>	<u>87</u>
Operating income	27,479	25,163
Other income (expense), net	(124)	(402)
Interest expense	<u>(4,303)</u>	<u>(2,265)</u>
Earnings before income taxes	23,052	22,496
Provision for income taxes	<u>8,529</u>	<u>6,887</u>
Net earnings	<u>\$ 14,523</u>	<u>\$ 15,609</u>
Basic earnings per share	<u>\$ 0.68</u>	<u>\$ 0.75</u>
Diluted earnings per share	<u>\$ 0.67</u>	<u>\$ 0.74</u>
Dividends per share	<u>\$ 0.09</u>	<u>\$ 0.09</u>
Weighted average shares outstanding:		
Basic	21,511	20,881
Diluted	21,814	21,206

**See notes to consolidated financial statements**

**C URTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(UNAUDITED)  
(In thousands)

	March 31, 2005	December 31, 2004
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 41,783	\$ 41,038
Receivables, net	251,917	214,084
Inventories, net	128,144	115,979
Deferred tax assets, net	23,699	25,693
Other current assets	11,923	12,460
<b>Total current assets</b>	<b>457,466</b>	<b>409,254</b>
Property, plant and equipment, net	269,235	265,243
Prepaid pension costs	77,313	77,802
Goodwill	392,240	364,313
Other intangible assets, net	155,872	140,369
Other assets	14,565	21,459
<b>Total Assets</b>	<b>\$ 1,366,691</b>	<b>\$ 1,278,440</b>
<b>Liabilities</b>		
Current Liabilities:		
Short-term debt	\$ 981	\$ 1,630
Dividends payable	1,944	-
Accounts payable	62,214	65,364
Accrued expenses	47,245	63,413
Income taxes payable	16,968	13,895
Other current liabilities	52,405	52,793
<b>Total current liabilities</b>	<b>181,757</b>	<b>197,095</b>
Long-term debt	419,083	340,860
Deferred tax liabilities, net	46,934	40,043
Accrued pension and other postretirement benefit costs	82,317	80,612
Long-term portion of environmental reserves	24,194	23,356
Other liabilities	22,651	20,860
<b>Total Liabilities</b>	<b>776,936</b>	<b>702,826</b>
<b>Stockholders' Equity</b>		
Common stock, \$1 par value	16,682	16,646
Class B common stock, \$1 par value	8,765	8,765
Additional paid-in capital	57,361	55,885
Retained earnings	613,649	601,070
Unearned portion of restricted stock	(28)	(34)
Accumulated other comprehensive income	33,004	36,797
	729,433	719,129
Less: Cost of treasury stock	(139,678)	(143,515)
<b>Total Stockholders' Equity</b>	<b>589,755</b>	<b>575,614</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 1,366,691</b>	<b>\$ 1,278,440</b>

See notes to consolidated financial statements

**C URTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
(In thousands)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2005</b>	<b>2004</b>
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 14,523	\$ 15,609
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	11,481	9,507
(Gain) loss on sale of real estate and fixed assets	(2,913)	87
Non-cash pension expense	500	40
Deferred income taxes	(297)	(1,694)
Changes in operating assets and liabilities, net of businesses acquired:		
Increase in receivables	(10,874)	(8,249)
Increase in inventories	(7,629)	(882)
Decrease in progress payments	(4,088)	(1,859)
Decrease in accounts payable and accrued expenses	(21,098)	(7,469)
Increase (decrease) in deferred revenue	1,317	(2,900)
Increase in income taxes payable	4,534	4,035
Decrease (increase) in other assets	49	(973)
Increase (decrease) in other liabilities	1,905	(535)
Total adjustments	(27,113)	(10,892)
Net cash (used in) provided by operating activities	(12,590)	4,717
<b>Cash flows from investing activities:</b>		
Proceeds from sales of non-operating assets	10,931	1,084
Additions to property, plant and equipment	(11,819)	(6,102)
Acquisition of new businesses	(68,768)	(118,588)
Net cash used for investing activities	(69,656)	(123,606)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of debt	209,000	90,505
Principal payments on debt	(129,180)	(40,531)
Proceeds from exercise of stock options	3,967	3,521
Net cash provided by financing activities	83,787	53,495
Effect of foreign currency	(796)	44
Net decrease in cash and cash equivalents	745	(65,350)
Cash and cash equivalents at beginning of period	41,038	98,672
Cash and cash equivalents at end of period	\$ 41,783	\$ 33,322
<b>Supplemental disclosure of investing activities:</b>		
Fair value of assets acquired from current year acquisitions	\$ 82,480	\$ 123,930
Additional consideration on prior year acquisitions	6,210	1,396
Liabilities assumed from current year acquisitions	(19,702)	(6,738)
Cash acquired from current year acquisitions	(220)	-
Net cash paid for acquisitions	\$ 68,768	\$ 118,588

See notes to consolidated financial statements

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

	Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Unearned Portion of Restricted Stock Awards	Accumulated Other Comprehensive Income	Treasury Stock
<b>December 31, 2003</b>	\$ 16,611	\$ 8,765	\$ 52,998	\$ 543,670	\$ (55)	\$ 22,634	\$ (165,742)
Net earnings	-	-	-	65,066	-	-	-
Translation adjustments, net	-	-	-	-	-	14,163	-
Dividends	-	-	-	(7,666)	-	-	-
Stock options exercised, net	-	-	(1,748)	-	-	-	11,345
Stock issued under employee stock purchase plan, net	35	-	1,358	-	-	-	-
Equity issued in connection with acquisitions	-	-	3,259	-	-	-	10,741
Other	-	-	18	-	21	-	141
<b>December 31, 2004</b>	16,646	8,765	55,885	601,070	(34)	36,797	(143,515)
Net earnings	-	-	-	14,523	-	-	-
Translation adjustments, net	-	-	-	-	-	(3,793)	-
Dividends	-	-	-	(1,944)	-	-	-
Stock options exercised, net	-	-	(204)	-	-	-	3,790
Stock issued under employee stock purchase plan, net	36	-	1,701	-	-	-	-
Other	-	-	(21)	-	6	-	47
<b>March 31, 2005</b>	\$ 16,682	\$ 8,765	\$ 57,361	\$ 613,649	\$ (28)	\$ 33,004	\$ (139,678)

See notes to consolidated financial statements

**C URTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**NOTES to CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**1. BASIS of PRESENTATION**

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

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

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

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

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

**2. ACQUISITIONS**

The Corporation acquired one business during the three months ended March 31, 2005, as described in more detail below. The acquisition has been accounted for as a purchase with the excess of the purchase price over the estimated fair value of the net tangible and intangible assets acquired recorded as goodwill. The Corporation makes preliminary estimates of the purchase price allocations, including the value of identifiable intangibles with a finite life, and records amortization based upon the estimated useful life of those intangible assets identified. The Corporation will adjust these estimates based upon analysis of third party appraisals, when deemed appropriate, and the determination of fair value when finalized, within twelve months from acquisition.

The following unaudited pro forma financial information shows the results of operations for the three months ended March 31, 2005 and 2004, as though the 2004 and 2005 acquisitions had occurred on January 1, 2004. The unaudited pro forma presentation reflects adjustments for (i) the amortization of acquired intangible assets, (ii) depreciation



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

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

	<i>(In thousands)</i>	
	Three Months Ended	
	March 31,	
	2005	2004
Revenue	\$ 262,939	\$ 251,250
Net earnings	14,033	15,660
Diluted earnings per share	0.64	0.73

Please refer to the Corporation's 2004 Annual Report on Form 10-K for more detail on the 2004 acquisitions.

The results of the acquired business have been included in the consolidated financial results of the Corporation from the date of acquisition in the segment indicated as follows:

Motion Control Segment

***Indal Technologies, Inc.***

On March 1, 2005, the Corporation acquired the outstanding stock of the parent corporation of Indal Technologies, Inc. ("Indal"). The purchase price was 78.0 million Canadian dollars (\$62.8 million) in cash and was funded from credit available under the Corporation's revolving credit facilities. The estimated excess of the purchase price over the fair value of the net assets acquired is \$29.4 million at March 31, 2005, including foreign currency translation adjustment gains of \$0.8 million. The fair value of the net assets acquired was based on current estimates. The Corporation may adjust these estimates based upon analysis of third party appraisals and the final determination of fair value.

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

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

**3. RECEIVABLES**

Receivables at March 31, 2005 and December 31, 2004 include amounts billed to customers and unbilled charges on long-term contracts consisting of amounts recognized as sales but not billed as of the dates presented. Substantially all amounts of unbilled receivables are expected to be billed and collected within a year. The composition of receivables for those periods is as follows:

	<i>(In thousands)</i>	
	March 31, 2005	December 31, 2004
<b>Billed Receivables:</b>		
Trade and other receivables	\$ 175,767	\$ 156,891
Less: Allowance for doubtful accounts	(3,980)	(4,011)
Net billed receivables	<u>171,787</u>	<u>152,880</u>
<b>Unbilled Receivables:</b>		
Recoverable costs and estimated earnings not billed	94,535	79,156
Less: Progress payments applied	(14,405)	(17,952)
Net unbilled receivables	<u>80,130</u>	<u>61,204</u>
Receivables, net	<u>\$ 251,917</u>	<u>\$ 214,084</u>

The net receivable balance at March 31, 2005 included \$23.4 million related to the Corporation's 2005 acquisition.

**4. INVENTORIES**

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

	<i>(In thousands)</i>	
	March 31, 2005	December 31, 2004
Raw material	\$ 50,233	\$ 49,616
Work-in-process	42,298	35,157
Finished goods and component parts	53,463	50,117
Inventoried costs related to U.S. Government and other long-term contracts	<u>20,180</u>	<u>19,396</u>
Gross inventories	166,174	154,286
Less: Inventory reserves	(26,540)	(26,276)
Progress payments applied, principally related to long-term contracts	<u>(11,490)</u>	<u>(12,031)</u>
Inventories, net	<u>\$ 128,144</u>	<u>\$ 115,979</u>

The net inventory balance at March 31, 2005 included \$4.9 million related to the Corporation's 2005 acquisition.

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

**5. GOODWILL**

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

The changes in the carrying amount of goodwill for the three months ended March 31, 2005 are as follows:

	<i>(In thousands)</i>			
	Flow Control	Motion Control	Metal Treatment	Consolidated
December 31, 2004	\$ 115,202	\$ 228,579	\$ 20,532	\$ 364,313
Goodwill from 2005 acquisitions	-	28,587	-	28,587
Additional consideration of prior years' acquisitions	84	326	24	434
Currency translation adjustment	(155)	(810)	(129)	(1,094)
March 31, 2005	\$ 115,131	\$ 256,682	\$ 20,427	\$ 392,240

The purchase price allocations relating to three of the businesses acquired during the twelve months ended March 31, 2005 are based on estimates and have not yet been finalized.

**6. OTHER INTANGIBLE ASSETS, net**

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

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

<i>March 31, 2005</i>	<i>(In thousands)</i>		
	Gross	Accumulated Amortization	Net
Developed technology	\$ 86,994	\$ (8,822)	\$ 78,172
Customer related intangibles	69,214	(5,417)	63,797
Other intangible assets	15,954	(2,051)	13,903
Total	\$ 172,162	\$ (16,290)	\$ 155,872

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



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

The following table presents the changes in the net balance of other intangibles assets during the three months ended March 31, 2005.

	<i>(In thousands)</i>			
	Developed technology, net	Customer Related Intangibles, net	Other Intangible Assets, net	Total
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
December 31, 2004	\$ 68,534	\$ 57,767	\$ 14,068	\$ 140,369
Acquired during 2005	10,769	7,179	18	17,966
Amortization expense	(1,435)	(1,136)	(168)	(2,739)
Net currency translation adjustment	304	(13)	(15)	276
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
March 31, 2005	\$ 78,172	\$ 63,797	\$ 13,903	\$ 155,872
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**7. WARRANTY RESERVES**

The Corporation provides its customers with warranties on certain commercial and governmental products. Estimated warranty costs are charged to expense in the period the related revenue is recognized based on quantitative historical experience. Estimated warranty costs are reduced as these costs are incurred and as the warranty period expires and may be otherwise modified as specific product performance issues are identified and resolved. Warranty reserves are included within other current liabilities on the Corporation's Consolidated Balance Sheets. In accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34", the following table presents the changes in the Corporation's warranty reserves:

	<i>(In thousands)</i>	
	Three Months Ended March 31,	
	<u>2005</u>	<u>2004</u>
Warranty reserves at January 1,	\$ 9,667	\$ 10,011
Increase due to acquisitions	1,796	860
Provision for current year sales	808	477
Current year claims	(610)	(459)
Change in estimates to pre-existing warranties	(391)	(144)
Foreign currency translation adjustment	(136)	79
	<u>          </u>	<u>          </u>
Warranty reserves at March 31,	\$ 11,134	\$ 10,824
	<u>          </u>	<u>          </u>

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

**8. DEBT**

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

	<i>(In thousands)</i>	
	March 31, 2005	December 31, 2004
Industrial Revenue Bonds, due through 2028. Weighted average interest rate is 1.97% and 1.39% per annum for the three months ended March 31, 2005 and the year ended December 31, 2004, respectively.	\$ 14,282	\$ 14,296
Revolving Credit Agreement, due 2009. Weighted average interest rate per annum is 3.38% and 2.56% per annum for the three months ended March 31, 2005 and the year ended December 31, 2004, respectively.	205,000	124,500
5.13% Senior Notes due 2010	74,762	75,329
5.74% Senior Notes due 2013	125,096	126,793
Other debt	924	1,572
	<hr/>	<hr/>
Total debt	420,064	342,490
Less: Short-term debt	981	1,630
	<hr/>	<hr/>
Total Long-term debt	\$ 419,083	\$ 340,860

The estimated fair values of the Corporation's debt instruments at March 31, 2005 aggregated \$419.6 million compared to a carrying value of \$420.1 million. The carrying amount of the variable interest rate long-term debt approximates fair value because the interest rates are reset periodically to reflect current market conditions. Fair values for the Corporation's fixed rate debt were estimated by management, utilizing valuations provided by third parties in accordance with their proprietary models.

**9. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS**

***Pension Plans***

The components of net periodic pension cost (benefit) for the three months ended March 31, 2005 and 2004 were:

	<i>(In thousands)</i>			
	Curtiss-Wright Plans		EMD Plans	
	March 31, 2005	March 31, 2004	March 31, 2005	March 31, 2004
Service cost	\$ 2,595	\$ 2,318	\$ 924	\$ 841
Interest cost	1,992	1,954	2,064	1,999
Expected return on plan assets	(4,123)	(4,255)	(1,946)	(2,022)
Amortization of prior service cost	30	22	-	-
Amortization of net loss	7	2	-	-
Amortization of transition obligation	(1)	(1)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net periodic benefit cost	\$ 500	\$ 40	\$ 1,042	\$ 818

No contributions have been made to the pension plans during the three months ended March 31, 2005. The Corporation anticipates contributing \$10.1 million, the estimated minimum required amount, to the EMD Pension Plan during 2005. No contributions are estimated to be made to the Curtiss-Wright Pension Plan due to its funded status.



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

**Other Postretirement Benefit Plans**

The components of the net postretirement benefit cost for the three months ended March 31, 2005 and 2004 were:

	<i>(In thousands)</i>			
	Curtiss-Wright Plan		EMD Plan	
	March 31, 2005	March 31, 2004	March 31, 2005	March 31, 2004
Service cost	\$ -	\$ -	\$ 191	\$ 219
Interest cost	7	8	553	616
Amortization of net (gain) loss	(14)	(15)	-	-
Net periodic benefit (income) cost	\$ (7)	\$ (7)	\$ 744	\$ 835

During the three months ended March 31, 2005, the Corporation has paid zero and \$0.4 million on the Curtiss-Wright and EMD post-retirement plans, respectively. During 2005, the Corporation anticipates contributing \$0.1 million and \$1.7 million to the post-retirement plans, respectively.

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

**10. EARNINGS PER SHARE**

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

	<i>(In thousands)</i>	
	Three Months Ended March 31,	
	2005	2004
Basic weighted average shares outstanding	21,511	20,881
Dilutive effect of stock options and deferred stock compensation	303	325
Diluted weighted average shares outstanding	21,814	21,206

At March 31, 2005 the Corporation had 125,000 stock options outstanding that could potentially dilute basic EPS in the future but were excluded from the computation of diluted EPS for the three months ended March 31, 2005 as they would have been antidilutive for the period. There were no antidilutive shares for the three months ended March 31, 2004.



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

**11. STOCK COMPENSATION PLANS**

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

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

The Corporation's pro forma results are as follows:

	<i>(In thousands, except per share data)</i>	
	Three Months Ended March 31,	
	2005	2004
Net earnings, as reported	\$ 14,523	\$ 15,609
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(568)	(306)
Pro forma net earnings	\$ 13,955	\$ 15,303
Net earnings per share:		
As reported:		
Basic	\$ 0.68	\$ 0.75
Diluted	\$ 0.67	\$ 0.74
Pro forma:		
Basic	\$ 0.65	\$ 0.73
Diluted	\$ 0.64	\$ 0.72

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Accounting for Stock-Based Compensation" ("FAS 123(R)"). This Statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. Employee share purchase plans will not result in recognition of compensation cost if certain conditions are met; those conditions

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**NOTES to CONSOLIDATED FINANCIAL STATEMENTS, Continued**  
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are much the same as the related conditions in FAS 123(R). This Statement is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. On April 14, 2005 the U.S. Securities and Exchange Commission announced a deferral of the effective date of FAS 123(R) for calendar year companies until January 1, 2006. The Corporation has not yet determined the impact of this pronouncement.

**12. ENVIRONMENTAL MATTERS**

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

In the first quarter of 2005, the Corporation sold its Fairfield, New Jersey non-operating property, which was formerly an operating facility for the Corporation's Motion Control segment. Under the sale agreement, the Corporation has retained the responsibility to continue the ongoing environmental remediation on the property, which is currently anticipated to be between three to five years with an estimated cost of \$1.5 million.

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

**13. SEGMENT INFORMATION**

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

*(In thousands)*  
Three Months Ended March 31, 2005

	Flow Control	Motion Control	Metal Treatment	Segment Totals	Corporate & Other	Consolidated Totals
Revenue from external customers	\$ 109,413	\$ 100,084	\$ 48,990	\$ 258,487	\$ –	\$ 258,487
Intersegment revenues	–	120	108	228	(228)	–
Operating income	10,349	6,390	7,817	24,556	2,923	27,479

*(In thousands)*  
Three Months Ended March 31, 2004

	Flow Control	Motion Control	Metal Treatment	Segment Totals	Corporate & Other	Consolidated Totals
Revenue from external customers	\$ 89,395	\$ 83,344	\$ 42,194	\$ 214,933	\$ –	\$ 214,933
Intersegment revenues	–	–	184	184	(184)	–
Operating income	10,431	8,289	6,577	25,297	(134)	25,163

*(In thousands)*  
Identifiable Assets

	Flow Control	Motion Control	Metal Treatment	Segment Totals	Corporate & Other	Consolidated Totals
March 31, 2005	\$ 422,014	\$ 656,812	\$ 199,722	\$ 1,278,548	\$ 88,143	\$ 1,366,691
December 31, 2004	415,504	576,275	194,783	1,186,562	91,878	1,278,440

**Adjustments to reconcile to earnings before income taxes:**

*(In thousands)*  
Three months ended  
March 31,

	2005	2004
Total segment operating income	\$ 24,556	\$ 25,297
Corporate and administrative	10	(47)
Gain (loss) on sale of real estate and fixed assets	2,913	(87)
Other income (expense), net	(124)	(402)
Interest expense	(4,303)	(2,265)
Earnings before income taxes	\$ 23,052	\$ 22,496

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

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

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

**15. COMPREHENSIVE INCOME**

Total comprehensive income for the three months ended March 31, 2005 and 2004 are as follows:

	<i>(In thousands)</i>	
	Three Months Ended	
	March 31,	
	2005	2004
Net earnings	\$ 14,523	\$ 15,609
Equity adjustment from foreign currency translations	(3,793)	753
Total comprehensive income	\$ 10,730	\$ 16,362

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

**16. CONTINGENCIES AND COMMITMENTS**

The Corporation, through its subsidiary located in Switzerland, entered into a credit agreement with UBS AG ("UBS") for a credit facility in the amount of 6.0 million Swiss francs (\$5.0 million) for the issue of performance guarantees related to long-term contracts. The Corporation received prepayments on these contracts, which are being used as collateral against the credit facility. The customers can draw down on the line of credit for nonperformance up to the amount of pledged collateral, which is released from restriction over time as the Corporation meets its obligations under the long-term contracts. Under the terms of this credit facility agreement, the Corporation is not permitted to borrow against the line of credit. The Corporation is charged a commitment fee on the outstanding balance of the collateralized cash. As of March 31, 2005, the amount of restricted cash under this facility was \$2.7 million, all of which is expected to be released from restriction after one year.

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

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

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

**FORWARD-LOOKING INFORMATION**

Except for historical information, this Quarterly Report on Form 10-Q may be deemed to contain “forward-looking” information. Examples of forward-looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, earnings or loss per share, growth prospects, capital structure, and other financial terms, (b) statements of plans and objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “anticipates,” or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking information. Such statements in this Quarterly Report on Form 10-Q include, without limitation, those contained in (a) Item 1. Financial Statements and (b) Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, the Corporation’s successful execution of internal performance plans; performance issues with key suppliers, subcontractors, and business partners; the ability to negotiate financing arrangements with lenders; legal proceedings; changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation’s operations; ability of outside third parties to comply with their commitments; product demand and market acceptance risks; the effect of economic conditions; the impact of competitive products and pricing; product development, commercialization, and technological difficulties; social and economic conditions and local regulations in the countries in which the Corporation conducts its businesses; unanticipated environmental remediation expenses or claims; capacity and supply constraints or difficulties; an inability to perform customer contracts at anticipated cost levels; changing priorities or reductions in the U.S. Government defense budget; contract continuation and future contract awards; U.S. and international military budget constraints and determinations; the factors discussed under the caption “Risk Factors” in the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2004; and other factors that generally affect the business of companies operating in the Corporation’s markets and/or industries.

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

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**MANAGEMENT'S DISCUSSION and ANALYSIS of**  
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**COMPANY ORGANIZATION**

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

**RESULTS of OPERATIONS**

Analytical definitions

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

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

Three months ended March 31, 2005

Sales for the first quarter of 2005 totaled \$258.5 million, an increase of 20% from sales of \$214.9 million for the first quarter of 2004. New orders received for the current quarter of \$325.8 million were up 38% over the orders of \$235.4 million for the first quarter of 2004. Acquisitions made in 2005 and 2004 contributed \$45.2 million in incremental new orders received in the first quarter of 2005. Backlog increased 19% to \$748.2 million at March 31, 2005 from \$627.7 million at December 31, 2004. The acquisition made in 2005 represented \$57.4 million of the backlog at March 31, 2005. Approximately 70% of our backlog is from military business.

Sales for the first quarter of 2005, as compared to the same period last year, benefited from the acquisitions completed in 2004 and the first quarter of 2005, which contributed \$35.8 million in incremental sales (or 82% of the overall increase) in the first quarter of 2005. The remaining base businesses generated overall organic growth of 4% in the first quarter of 2005. This organic sales growth was driven by our Metal Treatment and Motion Control segments, which

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
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experienced organic growth of 13% and 5%, respectively, compared to the prior year period. Our Flow Control segment's organic sales declined 1% in the first quarter of 2005 as compared to the prior year period.

In our base businesses, higher sales from our Metal Treatment segment of global shot peening services of \$3.7 million, higher Motion Control segment sales to the global commercial aerospace and general industrial markets of \$4.4 million, and higher sales from our Flow Control segment to the oil and gas and commercial power generation markets of \$4.5 million all contributed to the organic growth. Offsetting these increases are lower sales of flow control products to the U. S. Navy of \$6.0 million due to timing of contractual revenues and lower sales of motion control products to the global transportation industry of \$1.5 million. In addition, foreign currency translation favorably impacted sales by \$2.2 million for the quarter ended March 31, 2005, compared to the prior year period.

Operating income for the first quarter of 2005 totaled \$27.5 million, an increase of 9% from operating income of \$25.2 million for the same period last year. The increase was mainly due to a \$2.8 million gain on the sale of our Fairfield property, which was previously used for operations. Business segment operating income declined 3% for the same comparable periods. The decline included lower organic operating income of 2%, offset somewhat by our 2004 and 2005 acquisitions, which contributed \$0.1 million of incremental operating income in the first quarter of 2005. The decline in organic operating income was caused primarily by unfavorable sales mix in our Flow Control and Motion Control segments. This decline was partially offset by organic operating income growth of 17% in the Metal Treatment segment. Our Motion Control acquisitions experienced increased integration costs of \$0.8 million, primarily in the embedded computing group, which further reduced the operating margins. In addition, anticipated shipping delays and additional costs relating to a relocation into a larger facility resulted in an operating loss for the quarter of \$1.0 million at our European valves division. Operating income was also negatively impacted by \$0.5 million higher pension expense from the Curtiss-Wright pension plan in the first quarter 2005 as compared to the prior year. Foreign exchange translation had a favorable impact of \$0.4 million on operating income for the first quarter of 2005, as compared to the prior year period. We believe operating margins will improve in the second half of 2005 as we expect greater sales volume and lower integration costs in our embedded computing group, reduced operating costs from the benefits of integration, and better product mix through sales of higher margin products.

Net earnings for the first quarter of 2005 totaled \$14.5 million, or \$0.67 per diluted share, which represents a decrease of 7% as compared to the net earnings for the first quarter of 2004 of \$15.6 million, or \$0.74 per diluted share. Lower segment operating income in the first quarter of 2005 of \$0.7 million coupled with higher interest expense of \$2.0 million, due to both higher debt levels and higher interest rates, lowered net earnings in the first quarter of 2005. Net earnings for the first quarter of 2005 include a net after tax gain of \$1.5 million (approximately \$0.07 per diluted share), related to the sale of non-operating property. In addition, the net earnings for the first quarter of 2004 included nonrecurring tax benefits of \$1.5 million (approximately \$0.07 per diluted share).

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**  
**MANAGEMENT'S DISCUSSION and ANALYSIS of**  
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**Segment Operating Performance:**

*(In thousands, except percentages)*  
Three Months Ended  
March 31,

	2005	2004	% Change
<b>Sales:</b>			
Flow Control	\$ 109,413	\$ 89,395	22.4%
Motion Control	100,084	83,344	20.1%
Metal Treatment	48,990	42,194	16.1%
<b>Total Sales</b>	<b>\$ 258,487</b>	<b>\$ 214,933</b>	<b>20.3%</b>
<b>Operating Income:</b>			
Flow Control	\$ 10,349	\$ 10,431	-0.8%
Motion Control	6,390	8,289	-22.9%
Metal Treatment	7,817	6,577	18.9%
<b>Total Segments</b>	<b>24,556</b>	<b>25,297</b>	<b>-2.9%</b>
Pension (Expense)/Income	(500)	(40)	1,150.0%
Corporate & Other	3,423	(94)	-3,741.5%
<b>Total Operating Income</b>	<b>\$ 27,479</b>	<b>\$ 25,163</b>	<b>9.2%</b>
<b>Operating Margins:</b>			
Flow Control	9.5%	11.7%	
Motion Control	6.4%	9.9%	
Metal Treatment	16.0%	15.6%	
<b>Total Curtiss-Wright</b>	<b>10.6%</b>	<b>11.7%</b>	

**Flow Control**

The Corporation's Flow Control segment posted sales of \$109.4 million for the first quarter of 2005, an increase of 22% from \$89.4 million in the first quarter of 2004. The 2004 acquisitions contributed \$20.9 million in incremental sales in the first quarter of 2005 over the prior year period. This segment experienced an overall decline in organic growth of 1% primarily resulting from lower overall sales to the U.S. Navy of \$6.0 million due to timing of customer driven delivery schedules, offset mostly by higher sales to the oil and gas and commercial power generation markets of \$4.5 million. Sales of pumps and generators dropped \$8.0 million as we completed production, development, and prototype work on several submarine classes and on the CVN 21 aircraft carrier. The revenues associated with these products are expected to increase in the second half of 2005 through greater production work on the CVN 21 aircraft carrier and the VA class submarine. Offsetting these declines were increased revenues from valve and generic electronic product sales and development work for the U.S. Navy of \$4.6 million due to increasing market share. Revenues derived from the oil and gas market were driven mainly by our coker valve sales, which increased \$2.0 million, as the product continues to gain acceptance in the industry. Commercial power generation revenues are being driven by sales of reactor coolant pumps and control drive rod mechanisms to nuclear power plants, offset by a drop in motor remanufacture, which netted an increase of \$1.4 million period over period. Sales in this market are generally driven by customer maintenance schedules, which vary in timing and can cause fluctuations from period to period. In addition, foreign currency translation favorably impacted this segment's sales for the first quarter of 2005 by \$0.4 million, as compared to the prior year period.



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Operating income for the first quarter of 2005 was \$10.3 million, a decrease of 1% as compared to \$10.4 million for the same period last year. The decline was due to the lower sales volume to the U.S. Navy, decreased higher margin spares sales to the oil and gas market, increased sales of generic electronics products and development programs, which generate lower margins, and increased development costs on new products, mostly offset by contributions from the 2004 acquisitions. In addition, anticipated shipping delays and additional costs relating to a relocation into a larger facility resulted in an operating loss for the quarter of \$1.0 million at our European valves division. The business segment also benefited slightly from favorable foreign currency translation in the first quarter of 2005, as compared to the first quarter of 2004.

New orders received for the Flow Control segment totaled \$132.7 million in the first quarter of 2005 representing an increase of 15% from the same period in 2004. The increase is due to the incremental new orders from the 2004 acquisitions of \$22.1 million. The base businesses experienced a decline in new orders of 4% mainly due to strong orders received in the first quarter of 2004 in the oil and gas industry. Backlog increased 6% to \$419.4 million at March 31, 2005 from \$396.3 million at December 31, 2004.

**Motion Control**

Sales for the Corporation's Motion Control segment increased 20% to \$100.1 million in the first quarter of 2005 from \$83.3 million in the first quarter of 2004, primarily due to the contribution of the 2004 and 2005 acquisitions, which contributed \$13.3 million in incremental sales (or 79% of the overall increase) for the first quarter of 2005. Organic sales growth was 5% in the first quarter of 2005. This organic growth increase was due primarily to increased demand for controller products by the general industrial market, which contributed \$2.3 million to the increase. Upgrades to both commercial and defense European aerospace programs have driven demand for our data recording devices, adding another \$0.8 million to the organic sales growth. The segment also experienced increased sales growth in its electronics markets for production work on helicopter radar warning systems and redesign and production work for the mobile gun system, which more than offset the decline in production work on the Bradley and Abrams programs, and contributed a net \$1.0 million to increased first quarter sales. Offsetting these increases were reduced spares sales of actuation systems on the F-16 of \$2.8 million, due mainly to timing of customer order requirements, and lower sales of tilting train systems in Europe of \$1.5 million due to expiration of this program in 2004. Foreign currency translation favorably impacted sales for the first quarter of 2005 by \$1.0 million, as compared to the prior year period.

Operating income for the first quarter of 2005 was \$6.4 million, a decrease of 23% from the same period last year of \$8.3 million. The segment's 2004 and 2005 acquisitions experienced an incremental loss in the quarter of \$1.5 million due to lower revenues based on customer delivery requirements and increased integration costs of \$0.8 million. Additionally, the segment experienced an organic operating income decline of 3% driven primarily by unfavorable sales mix. The most significant of these impacts occurred in our military defense business, where higher margin spares sales were replaced by lower margin production and development work. The business segment also benefited from favorable foreign currency translation of \$0.2 million in the first quarter of 2005, as compared to the first quarter of 2004.

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New orders received for the Motion Control segment totaled \$143.4 million in the first quarter of 2005, an increase of 85% from the same period in 2004. Acquisitions made in 2004 and 2005 contributed \$21.4 million in incremental new orders received in the first quarter of 2005, while the remaining base businesses grew \$35.8 million, or 60%, with gains across most product lines and market segments. Backlog increased 42% to \$326.1 million at March 31, 2005 from \$229.6 million at December 31, 2004. The acquisition made in 2005 represented \$57.4 million of the backlog at March 31, 2005.

**Metal Treatment**

Sales for the Corporation's Metal Treatment segment totaled \$49.0 million for the first quarter of 2005, up 16% when compared with \$42.2 million in the first quarter of 2004. The sales improvement is mainly due to organic growth of 13% in base businesses in the first quarter of 2005, which was driven by higher global shot peening revenues from the aerospace and automotive markets of \$3.7 million. Generally, this segment's revenue growth can be attributed to the improving economic conditions worldwide. The segment's 2004 acquisitions contributed \$1.7 million in incremental revenue period over period. In addition, foreign currency translation favorably impacted sales for the first quarter of 2005 by \$0.8 million, as compared to the prior year period.

Operating income for the first quarter of 2005 increased 19% to \$7.8 million from \$6.6 million for the same period last year. Overall margin improvement was due mainly to the higher sales volume noted above. Partially offsetting the operating income margins of the segment were unfavorable sales mix and increased operating costs. The business segment also benefited from favorable foreign currency translation of \$0.2 million in the first quarter of 2005, as compared to the first quarter of 2004.

New orders received for the Metal Treatment segment totaled \$49.7 million in the first quarter of 2005, an increase of 16% from the same period in 2004. Acquisitions made in 2004 contributed \$1.7 million in incremental new orders received in the first quarter of 2005. Backlog increased 39% to \$2.6 million at March 31, 2005 from \$1.9 million at December 31, 2004.

**Interest Expense**

The increase in interest expense of \$2.0 million for the first quarter of 2005 was due to higher debt levels and higher interest rates associated with the funding of our acquisitions, which accounted for 60% and 40% of the increase, respectively.

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**FINANCIAL CONDITION and RESULTS of OPERATIONS, continued**

**CHANGES IN FINANCIAL CONDITION**

**Liquidity and Capital Resources**

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

***Operating Activities***

The Corporation's working capital was \$275.7 million at March 31, 2005, an increase of \$63.5 million from the working capital at December 31, 2004 of \$212.2 million. The ratio of current assets to current liabilities was 2.5 to 1 at March 31, 2005 versus 2.1 to 1 at December 31, 2004. Cash and cash equivalents totaled \$41.8 million in the aggregate at March 31, 2005, up from \$41.0 million at December 31, 2004. Days sales outstanding at March 31, 2005 was 56 days as compared to 47 days at December 31, 2004. Inventory turns were 5.7 for the three months ended March 31, 2005 as compared to 5.8 at December 31, 2004.

Excluding cash, working capital increased \$62.8 million from December 31, 2004, partially due to the Indal Technologies acquisition made in the first quarter of 2005. In addition to the impact of the acquisition, working capital changes were primarily affected by a decrease of \$21.1 million in accounts payable and accrued expenses due to the payments of material procured in late 2004, annual employee bonuses and interest, and an increase of \$10.9 million in accounts receivable due mainly to delayed milestone billings and customer payments.

***Investing Activities***

The Corporation acquired one business in the first quarter of 2005. A combination of cash resources and funds available under the Corporation's credit agreement was utilized for the funding of the acquisition, which totaled \$62.8 million. Additional acquisitions will depend, in part, on the availability of financial resources at a cost of capital that meets stringent criteria. As such, future acquisitions, if any, may be funded through the use of the Corporation's cash and cash equivalents, through additional financing available under the credit agreement, or through new financing alternatives. As indicated in Note 2 to the Consolidated Financial Statements of the Corporation's Annual Report, certain acquisition agreements contain contingent purchase price adjustments, such as potential earn-out payments. In the first quarter of 2005, the Corporation made approximately \$0.9 million in earn-out payments. Additionally, the Corporation paid an additional \$5.1 million relating to prior period acquisitions, as required by the terms of the acquisition agreements.

Capital expenditures were \$11.8 million in the first quarter of 2005. Internally available funds were adequate to meet the capital expenditures. Principal expenditures included the purchase of a new facility for our European valves division, new and replacement machinery and equipment and for the expansion of new product lines within the business segments. The Corporation is expected to make additional capital expenditures of approximately \$40 million during the remainder of 2005 on machinery and equipment for ongoing operations at the business segments, expansion of existing facilities, and investments in new product lines and facilities.

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**FINANCIAL CONDITION and RESULTS of OPERATIONS, continued**

***Financing Activities***

At March 31, 2005, the Corporation had a \$400 million credit agreement (the "Agreement") with a group of ten banks. Borrowings under the agreement bear interest at a floating rate based on market conditions. In addition, the Corporation's interest rate and level of facility fees are dependent on certain financial ratio levels, as defined in the Agreement. The Corporation is subject to annual facility fees on the commitments under the Agreement. In connection with the Agreement, the Corporation paid customary transaction fees that have been deferred and are being amortized over the term of the Agreement. The Corporation is required under the Agreement to maintain certain financial ratios and meet certain financial tests, the most restrictive of which is a debt to capitalization limit of 55%. The Agreement does not contain any subjective acceleration clauses. At March 31, 2005, the Corporation is in compliance with these covenants and had the flexibility to issue additional debt of \$301 million without exceeding the covenant limit defined in the Agreement. The Corporation would consider other financing alternatives to maintain capital structure balance and ensure compliance with all debt covenants. Cash borrowings (excluding letters of credit) under the Agreement at March 31, 2005 were \$205.0 million as compared to \$124.5 million at December 31, 2004. The unused credit available under these agreements at March 31, 2005 was \$172.0 million. The Agreement expires in July 2009.

On September 25, 2003 the Corporation issued \$200.0 million of Senior Notes (the "Notes"). The Notes consist of \$75.0 million of 5.13% Senior Notes that mature on September 25, 2010 and \$125.0 million of 5.74% Senior Notes that mature on September 25, 2013. The Notes are senior unsecured obligations and are equal in right of payment to the Corporation's existing senior indebtedness. The Corporation, at its option, can prepay at any time, all or from time to time any part of, the Notes, subject to a make-whole amount in accordance with the terms of the Note Purchase Agreement. In connection with the Notes, the Corporation paid customary fees that have been deferred and will be amortized over the terms of the Notes. The Corporation is required under the Note Purchase Agreement to maintain certain financial ratios, the most restrictive of which is a debt to capitalization limit of 60%. At March 31, 2005, the Corporation is in compliance with these covenants.

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

Industrial revenue bonds, which are collateralized by real estate, machinery, and equipment, were \$14.3 million at March 31, 2005 and December 31, 2004. The loans outstanding under the Senior Notes, Interest Rate Swaps, Revolving Credit Agreement, and Industrial Revenue Bonds had variable interest rates averaging 4.32% during the first quarter of 2005 and 3.65% for 2004.

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

**CRITICAL ACCOUNTING POLICIES**

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

**Recently issued accounting standards:**

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

## CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

### Item 3. Q UANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

### Item 4. C ONTROLS AND PROCEDURES

As of March 31, 2005, the Corporation's management, including the Corporation's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the Corporation's disclosure controls and procedures; as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on such evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures are effective, in all material respects, to ensure that information required to be disclosed in the reports the Corporation files and submits under the Exchange Act is recorded, processed, summarized, and reported as and when required.

There have not been any changes in the Corporation's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2005 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. L EGAL PROCEEDINGS

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

Curtiss-Wright Corporation or its subsidiaries have been named in approximately 140 lawsuits that allege injury from exposure to asbestos. To date, Curtiss-Wright has secured its dismissal without prejudice in approximately 30 lawsuits, and is currently in discussions for similar dismissal in several others, and has not been found liable or paid any material sum of money in settlement in any case. Curtiss-Wright believes that the minimal use of asbestos in its operations and the relatively non-friable condition of asbestos in its products makes it unlikely that it will face material liability in any asbestos litigation, whether individually or in the aggregate. Curtiss-Wright does maintain insurance coverage for these lawsuits and it believes adequate coverage exists to cover any unanticipated asbestos liability.

## CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

### Item 6. EXHIBITS and REPORTS on FORM 8-K

#### (a) Exhibits

- Exhibit 2.1 Agreement and Plan of Merger and Recapitalization, dated as of February 1, 2005, by and between Curtiss-Wright Corporation and CW Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to Form 8-k filed February 3, 2005).
- Exhibit 3.1 Restated Certificate of Incorporation as amended May 23, 2003 (incorporated by reference to Exhibit 3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).
- Exhibit 3.2 By-laws as amended through May 3, 2005, filed herewith.
- Exhibit 31.1 Certification of Martin R. Benante, Chairman and CEO, Pursuant to 18 U.S.C. Section 1350, filed herewith
- Exhibit 31.2 Certification of Glenn E. Tynan, Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, filed herewith
- Exhibit 32 Certification of Martin R. Benante, Chairman and CEO, and Glenn E. Tynan, Chief Financial Officer, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith

#### (b) Reports on Form 8-K

On February 3, 2005, the Corporation filed Form 8-K under Items 1.01 and 9.01 respecting the execution of the merger agreement for the Corporation's recapitalization of its common stock. A press release announcing same was furnished as exhibit 99.

On February 4, 2005, the Corporation furnished Form 8-K under Items 2.02 and 9.01 respecting the announcement of financial results. A press release announcing financial results for the fourth quarter and year ended December 31, 2004 was furnished as exhibit 99.

On March 3, 2005, the Corporation filed Form 8-K under Items 2.02, 4.02, 8.01 and 9.01 announcing that previously issued financial information contained in the Corporation's press release dated February 3, 2005, announcing the Company's 2004 fourth quarter and year end financial results require revision and should no longer be relied upon. A press release announcing same was furnished as exhibit 99.

On March 28, 2005, the Corporation filed Form 8-K under Items 8.01 and 9.01 announcing that the Corporation received a supplemental ruling from the Internal Revenue Service permitting the Corporation to go forward with its proposed recapitalization of its Common Stock and Class B Common Stock into a single class of common stock. A press release announcing same was furnished as exhibit 99.

**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**

SIGNATURE

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

CURTISS-WRIGHT CORPORATION  
(Registrant)

By: /s/ Glenn E. Tynan  
Glenn E. Tynan  
Vice President Finance / C.F.O.  
Dated: May 10, 2005

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**B Y - L A W S**  
**OF**  
**CURTISS-WRIGHT CORPORATION**

**ARTICLE I.**

**OFFICES.**

**SECTION 1. Registered Office.** The registered office of Curtiss-Wright Corporation (hereinafter called the Corporation) in the State of Delaware, shall be in the City of Wilmington, County of New Castle.

**SECTION 2. Other Offices.** The Corporation may also have an office or offices at such other place or places either within or without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation require.

**ARTICLE II.**

**MEETING OF STOCKHOLDERS.**

**SECTION 1. Place of Meetings.** All meetings of the stockholders for the election of directors or for any other purpose shall be held at such place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

**SECTION 2. Annual Meetings.** The annual meeting of the stockholders for the election of directors and for the transaction of such other proper business as may come before the meeting shall be held on a date and at a time as may be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

**SECTION 3. Special Meetings.** A special meeting of the stockholders for any purpose or purposes, unless otherwise prescribed by statute, may be called only by the Chairman, or in his absence by the President, by the Board of Directors, or by the Secretary at the request in writing of a majority of the Board of Directors and may not be called by the stockholders of the Corporation.

**SECTION 4. Notice of Meetings.** Except as otherwise provided by statute, notice of each meeting of the stockholders, whether annual or special, shall be given not less than ten days nor more than sixty days before the day on which the meeting is to be held, to each stockholder of record entitled to vote at such meeting by delivering a written or printed notice thereof to him personally, or by mailing such notice in a postage prepaid envelope addressed to him at his post office address furnished by him to the Secretary of the Corporation for such purpose, or, if he shall not have furnished to the Secretary of the Corporation his address for such purpose, then at his post office address as it appears on the records of the Corporation, or by

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transmitting a notice thereof to him as otherwise permitted by law. Except where expressly required by law, no publication of any notice of a meeting of stockholders shall be required. Every such notice shall state the place, date and hour of the meeting and, in the case of special meetings, the purpose or purposes for which the meeting is called. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy except as otherwise provided by statute; and if any stockholder shall in person or by attorney thereunto authorized, waive notice of any meeting, whether before or after such meeting be held, notice thereof need not be given to him. Notice of any adjourned meeting of the stockholders shall not be required to be given, except when expressly required by law. Notice of any meeting of stockholders as herein provided shall not be required to be given to any stockholder where the giving of such notice is prohibited or is rendered impossible by the laws of the United States of America.

SECTION 5. List of Stockholders. It shall be the duty of the Secretary or other officer who shall have charge of the stock ledger either directly or through a transfer agent appointed by the Board of Directors, to prepare and make, at least ten days before every meeting of stockholders, complete lists of the stockholders entitled to vote thereat, arranged in alphabetical order, and showing the address of each stockholder, the holders of each class of stock appearing separately, and indicating the number of shares held by each, certified by the Secretary or Transfer Agent. Such lists shall be open to the examination of any stockholder for any purpose germane to the meeting as required by the Delaware General Corporation Law, and shall be produced and kept at the time and place of the meeting during the whole time thereof, and subject to the inspection of any stockholder who may be present. Upon the willful neglect or refusal of the directors to produce such lists at any meeting, they shall be ineligible to any office at such meeting. The original or a duplicate stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, such lists, or the books of the Corporation or to vote in person or by proxy at such meeting.

SECTION 6. Quorum. At each meeting of the stockholders, the holders of not less than a majority of the issued and outstanding stock of the Corporation present either in person or by proxy and entitled to vote at such meeting shall constitute a quorum except where otherwise provided by law or by the Restated Certificate of Incorporation or these by-laws. In the absence of a quorum, the stockholders of the Corporation present in person or by proxy and entitled to vote, by majority vote, or, in the absence of any stockholders, any officer entitled to preside or act as Secretary at such meeting, shall have the power to adjourn the meeting from time to time, until stockholders holding the requisite amount of stock shall be present or represented. At any such adjourned meeting at which a quorum may be present any business may be transacted which might have been transacted at the meeting as originally called. The absence from any meeting of the number required by the laws of the State of Delaware or by the Restated Certificate of Incorporation of the Corporation or by these by-laws for action upon any given matter shall not prevent action at such meetings upon any other matter or matters which may properly come before the meeting, and if the holders of not less than a majority of the issued and outstanding stock of the Corporation entitled to vote at that time upon such other matter or matters shall be present either in person or by proxy at such meeting, a quorum for the consideration of such other matter or matters shall be present and the meeting may proceed forthwith and take action upon such other matter or matters.

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SECTION 7. Organization. The Chairman or, in his absence, the President, or, in the absence of both of them, any Vice President present, shall call meetings of the stockholders to order and shall act as Chairman thereof. In the absence of all of the foregoing officers, the holders of a majority in interest of the stock present in person or by proxy and entitled to vote may elect any stockholder of record present and entitled to vote to act as Chairman of the meeting until such time as any one of the foregoing officers shall arrive, whereupon he shall act as Chairman of the meeting. The Secretary or, in his absence, an Assistant Secretary shall act as secretary at all meetings of the stockholders. In the absence from any such meeting of the Secretary and the Assistant Secretary or Secretaries, the Chairman may appoint any person present to act as secretary of the meeting. Such person shall be sworn to the faithful discharge of his duties as such secretary of the meeting before entering thereon.

SECTION 8. Notice of Stockholder Business and Nominations .

(a) Annual Meetings of Stockholders.

(i) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders only (A) pursuant to the Corporation's notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or (C) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 8 is delivered to the Secretary of the Corporation, who is entitled to vote at a meeting and who complies with the notice procedures set forth in this Section 8.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of paragraph (i) of this Section 8, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business other than the nominations of persons for election to the Board of Directors must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth day nor earlier than the close of business on the one hundred twentieth day prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that the date of the annual meeting is more than thirty days before or more than seventy days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (A) as to each person whom the stockholder proposes to nominate for election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if

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electd); (B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the by-laws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (3) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (4) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of his or her intention to present a proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(iii) Notwithstanding anything in the second sentence of paragraph (a)(ii) of this Section 8 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at an annual meeting is increased and the stockholders of the Corporation are entitled to fill such vacancies in accordance with the Restated Certificate of Incorporation and these by-laws and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred days prior to the first anniversary of the preceding year's annual meeting, and a stockholder's notice required by this Section 8 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) Special Meetings of Stockholders.

Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (x) by or at the direction of the Board of Directors or (y) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section

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8 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 8. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (a)(ii) of this Section 8 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth day prior to such special meeting and not later than the close of business on the later of the ninetieth day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) General.

(i) Only such persons who are nominated in accordance with the procedures set forth in this Section 8 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 8. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty (A) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 8 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (a)(ii)(C)(4) of this Section 8 and (B) if any proposed nomination or business was not made or proposed in compliance with this Section 8, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 8, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

(ii) For purposes of this Section 8, "public announcement" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 8, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 8. Nothing in this Section 8 shall be deemed to affect any rights (A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act

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or (B) of the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the Restated certificate of incorporation.

SECTION 9. Voting. Each stockholder of the Corporation shall, except as otherwise provided by statute or in these by-laws or in the Restated Certificate of Incorporation of the Corporation, at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock of the Corporation registered in his name on the books of the Corporation on the date fixed pursuant to Section 6 of Article VII of these by-laws as the record date for the determination of stockholders entitled to vote at such meeting. Persons holding in a fiduciary capacity stock having voting rights shall be entitled to vote the shares so held, and persons whose stock having voting rights is pledged shall be entitled to vote, unless in the transfer by the pledgor on the books he shall have expressly empowered the pledgee to vote thereon, in which case only the pledgee, or his proxy, may represent said stock and vote thereon. Any vote on stock may be given by the stockholder entitled thereto in person or by his proxy; provided, however, that no proxy shall be voted on after three years from its date unless said proxy provides for a longer period. At all meetings of the stockholders, all matters (except those specified in Section 4 of Article III and Article XI of these by-laws, and except also in special cases where other provision is made by statute, and except as otherwise provided in the Restated Certificate of Incorporation) shall be decided by the vote of a majority in interest of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Except as otherwise provided by statute, the vote on any question need not be by ballot. On a vote by ballot each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

SECTION 10. Inspectors of Election. On each matter or election at each meeting of the stockholders where a vote by ballot is taken, the proxies and ballots shall be received and be taken in charge, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes, shall be decided by two inspectors of election who shall be appointed by the Chairman of such meeting. The inspectors of election need not be stockholders. No candidate for the office of director shall act as inspector at any election of directors. Inspectors shall count and ascertain the number of shares voted; and shall declare the result of the election or of the voting as the case may be; and shall make out a certificate accordingly, stating the number of shares issued and outstanding and entitled to vote at such election or on such matters and the number of shares voted and how voted. Inspectors shall be sworn to faithfully perform their duties and shall certify to the returns in writing. They shall hold office from the date of their appointment until their successors shall have been appointed and qualified.

### ARTICLE III.

#### BOARD OF DIRECTORS.

SECTION 1. General Powers. The property, affairs and business of the Corporation shall be managed by or under the direction of the Board of Directors.

SECTION 2. Number, Qualifications and Terms of Office. The Board of Directors shall consist of not less than five nor more than ten persons, the exact number to be

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fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the Board of Directors. Directors need not be stockholders. The directors shall be elected as provided in the Restated Certificate of Incorporation and each director shall hold office until his successor shall have been elected and shall qualify, or until his death or until he shall resign or shall have been removed.

SECTION 3. [RESERVED]

SECTION 4. Election of Directors. Except as otherwise provided in the Restated Certificate of Incorporation, directors shall be elected by a plurality of the votes cast by the stockholders entitled to vote for the election of such directors.

SECTION 5. Quorum and Manner of Acting. Except as otherwise provided by statute, the Restated Certificate of Incorporation or these by-laws, one-third of the whole Board of Directors (but not less than three) shall be required to constitute a quorum for the transaction of business at any meeting, and the act of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need be given only to those directors who were not present at any meeting at which the adjournment was taken, provided the time and place of the adjourned meeting were announced at the meeting at which the adjournment was taken. The directors shall act only as a board and the individual directors shall have no power as such.

SECTION 6. Place of Meeting, etc. The Board of Directors may hold its meetings, at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine or as shall be specified or fixed in the respective notices or waivers of notice thereof.

SECTION 7. First Meeting. After each annual election of directors and within a reasonable time thereafter, the Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business at such hours and place as shall be convenient. Notice of such meeting shall be given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the directors.

SECTION 8. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and at such times as the Board of Directors shall from time to time by resolution determine or as shall be specified in the Notice of Meeting. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day not a legal holiday. Notice of the regular meetings need not be given.

SECTION 9. Special Meetings; Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman, the President or by one of the directors. Notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least two days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable, telex, facsimile transmitter, e-mail or other electronic transmission, or be delivered personally or by telephone, not later than the day before

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the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting but need not state the purpose thereof except as otherwise in these by-laws or by statute expressly provided. Notice of any meeting of the Board of Directors need not be given to any director, however, if waived by him in writing or by telegraph, cable, telex, facsimile transmitter, e-mail or other electronic transmission, whether before or after such meeting be held or, except as otherwise provided by law, if he shall be present at the meeting; and, except as otherwise provided by law, any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given if all of the directors shall be present thereat.

SECTION 10. Organization . At each meeting of the Board of Directors, the Chairman or, in his absence, the President, or, in the absence of both of them, a director chosen by a majority of the directors present shall act as Chairman. The Secretary or, in his absence, an Assistant Secretary or, in the absence of both the Secretary and Assistant Secretaries, any person appointed by the Chairman shall act as secretary of the meeting.

SECTION 11. Order of Business . At all meetings of the Board of Directors business shall be transacted in the order determined by the Board of Directors.

SECTION 12. Resignations . Any director of the Corporation may resign at any time by giving notice in writing or by electronic transmission to the Chairman, the President or to the Secretary of the Corporation. The resignation of any director shall take effect at the time of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 13. Vacancies .

(a) Vacancies in the Board of Directors shall be filled in accordance with the Restated Certificate of Incorporation.

(b) A director who resigns, retires, or does not stand for reelection may, in the discretion of the Board of Directors, be elected a Director Emeritus. A Director Emeritus shall receive reimbursement for reasonable expenses for attendance at meetings of the Board to which he is invited. Such attendance shall be in a consulting capacity and he shall not be entitled to vote or have any duties or powers of a Director of the Corporation.

SECTION 14. Regular Stipulated Compensation and Fees . Each director shall be paid such regular stipulated compensation, if any, as shall be fixed by the Board of Directors and/or such fee, if any, for each meeting of the Board of Directors which he shall attend as shall be fixed by the Board of Directors and in addition such transportation and other expenses actually incurred by him in connection with services to the Corporation.

SECTION 15. Action by Consent . Any action required or permitted to be taken by the Board of Directors or any Committee thereof may be taken without a meeting if all members of the Board of Directors or such Committee, as the case may be, consent thereto in writing, or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of the Board of Directors or such Committee, as the case may be.

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SECTION 16. Telephonic Meeting. Unless restricted by the Certificate of Incorporation, any one or more members of the Board of Directors or any Committee thereof may participate in a meeting of the Board of Directors or such Committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at a meeting.

#### ARTICLE IV.

#### COMMITTEES.

SECTION 1. Committees. The Board of Directors may by resolution or resolutions, passed by a majority of the whole Board, designate one or more Committees, each Committee to consist of two or more of the directors of the Corporation, which, to the extent permitted by law and provided for in said resolution or resolutions or in these by-laws, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation. Such committees shall have such name or names as may be stated in these by-laws, or as may be determined from time to time by resolution adopted by the Board. The Committee or Committees appointed by the Board shall be subject to the supervision and direction of the Board of Directors.

In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 2. Term of Office and Vacancies. Each member of a Committee shall continue in office until a director to succeed him shall have been elected and shall have qualified, or until his death or until he shall have resigned or shall have been removed. Any vacancy in a Committee shall be filled by the vote of a majority of the whole Board of Directors at any regular or special meeting thereof.

SECTION 3. Organization. Except as otherwise provided in these by-laws, the Chairman of each Committee shall be designated by the Board of Directors. The Chairman of each Committee may designate a secretary of each such Committee. In the absence from any meeting of any Committee of its Chairman or its secretary such Committee shall appoint a temporary Chairman or secretary, as the case may be, of the meeting unless otherwise provided in these by-laws. Each Committee shall keep a record of its acts and proceedings and report the same from time to time to the Board of Directors.

SECTION 4. Resignations. Any member of a Committee may resign at any time by giving notice in writing or by electronic transmission to the Chairman, President or Secretary of the Corporation. Such resignation shall take effect at the time of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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SECTION 5. Removal. Any member of a Committee may be removed from such Committee with or without cause at any time by the affirmative vote of a majority of the whole Board of Directors given at any regular meeting or at any special meeting called for the purpose.

SECTION 6. Meetings. Regular meetings of each Committee, of which no notice shall be necessary, shall be held on such days and at such place as shall be fixed by a resolution adopted by the vote of a majority of all the members of such Committee. Special meetings of each Committee may be called by the Chairman of such Committee or by the Chairman, President or Secretary of the Corporation. Notice of each special meeting of the Committee shall be sent by mail to each member thereof, addressed to him at his residence or usual place of business, not later than the day before the day on which the meeting is to be held, or shall be sent to each such member by telegraph, cable, telex, facsimile transmitter, e-mail or other electronic transmission, or delivered to him personally or by telephone, not less than three (3) hours before the time set for the meeting. Every such notice shall state the time and place, but need not state the purposes, of the meeting except as otherwise in these by laws or by statute expressly provided. Notice of any such meeting need not be given to any member of a Committee, however, if waived by him in writing or by telegraph, cable, telex, facsimile transmitter, e-mail or other electronic transmission, whether before or after such meeting be held, or except as otherwise provided by law, if he shall attend such meeting in person, and, except as otherwise provided by law, any meeting of a Committee shall be a legal meeting without any notice thereof having been given if all of the members of the Committee shall be present thereat.

SECTION 7. Quorum and Manner of Acting. Unless otherwise provided by resolution of the Board of Directors, a number of Directors equal to one less than a majority of the number of Directors serving on any Committee, but not less than two Directors, shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of such Committee. The members of each Committee shall act only as a Committee and the individual members shall have no power as such.

SECTION 8. [RESERVED]

SECTION 9. Fees. Each member of a Committee shall be paid such fee, if any, as shall be fixed by the Board of Directors, for each meeting of such Committee which he shall attend, and in addition such transportation and other expenses actually incurred by him in connection with his services as such member.

## ARTICLE V.

### OFFICERS, EMPLOYEES AND AGENTS: POWERS AND DUTIES.

SECTION 1. Officers. The elected officers of the Corporation shall be a Chairman and a President (each of whom shall be a director), a Chief Executive Officer, a Chief Operating Officer, such Executive Vice Presidents, such Senior Vice Presidents and other Vice Presidents as the Board may elect, a Controller, a Treasurer, and a Secretary. The Board of Directors or any Committee constituted pursuant to Article IV of these by-laws with power for

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the purpose may also appoint one or more Assistant Controllers, one or more Assistant Treasurers, one or more Assistant Secretaries, and such other officers and agents as, from time to time, may appear to be necessary or advisable in the conduct of the affairs of the Corporation. Any number of offices may be held by the same person, except that any person serving as Chairman or President shall not also serve as Secretary.

SECTION 2. Term of Office: Vacancies. All elected officers shall serve for a term of one year measured by the length of time between the organizational meeting of the Board of Directors following the annual meeting of shareholders at which the officer is elected and the organizational meeting in the succeeding year, unless the officer is elected after the organizational meeting, in which case the term of the officer shall also expire at the next organizational meeting of the Board of Directors. If such election shall not occur at the organizational meeting, such election shall occur as soon as practicable thereafter. Each officer shall hold office only until the expiration of his or her one-year term or until his or her earlier resignation or removal by the Board of Directors. If any vacancy occurs in any office, the Board of Directors, or, in the case of an appointive office, any Committee constituted pursuant to Article IV of these by-laws with power for that purpose, may elect or appoint a successor to fill such vacancy for the remainder of the one-year term.

SECTION 3. Removal of Elected Officers. Any elected officer may be removed at any time, either for or without cause, by affirmative vote of a majority of the whole Board of Directors, at any meeting called for the purpose.

SECTION 4. Chairman. The Chairman shall function under the general supervision of the Board of Directors and shall perform such duties and exercise such powers as from time to time may be assigned to him by the Board. During any period in which there is a vacancy in the office of the President, the Chairman shall, pending action by the Board, perform the duties and exercise the powers of the President. The Chairman shall preside, when present, at all meetings of the stockholders and of the Board of Directors and shall see to it that appropriate agendas are developed for such meetings.

SECTION 5. President. The President shall perform such duties and exercise such powers as from time to time may be assigned to him by the Board or the Chairman. At the request of the Chairman or in case of the Chairman's absence or inability to act, the President shall perform the duties of the Chairman and, when so acting, shall have the powers of, and shall be subject to the restrictions upon, the Chairman.

SECTION 6. Chief Executive Officer. The Chief Executive Officer shall be designated from time to time by a resolution adopted by the Board of Directors and shall be either the Chairman or the President. He shall have, subject to the direction and control of the Board, general and active supervision over the business and affairs of the Corporation and over its several officers. He shall perform all duties incident to his position and such other duties as may from time to time be assigned to him by the Board. He shall see that all orders of the Board shall be carried into effect. He may sign, execute and deliver all deeds, mortgages, contracts, stock certificates and other instruments in the name of the Corporation, except in cases where the signing, execution or delivery thereof shall be expressly delegated by the Board or by a duly authorized Committee of the Board or by these by-laws to some other officer or agent of the

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Corporation or where any of them shall be required by law otherwise to be signed, executed or delivered. He may cause the seal of the Corporation to be affixed to any documents the execution of which on behalf of the Corporation shall have been duly authorized. He shall have authority to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require, to fix their compensation, subject to the provisions of these by-laws, to remove or suspend any employee or agent under authority of an officer to him, to suspend for cause, pending final action by the authority which shall have elected or appointed him, any officer subordinate to him, and to have all the duties and exercise all the powers usually pertaining to the office held by the Chief Executive Officer of a Corporation, except as otherwise provided in these by-laws.

SECTION 7. Chief Operating Officer. A Chief Operating Officer may be designated from time to time by a resolution adopted by the Board of Directors, and shall be subject to the direction and control of the Board, and the Chief Executive Officer. He shall directly report to and assist the Chief Executive Officer in the general and active supervision over the business and affairs of the Corporation and over its several officers, and shall perform all duties incident to his position and such other duties as may from time to time be assigned to him by the Board, or the Chief Executive Officer.

SECTION 8. Vice Presidents. Under the direction of the Chief Executive Officer or the Chief Operating Officer, the Executive Vice Presidents, Senior Vice Presidents, and Vice Presidents of the Corporation shall perform all such duties and exercise all such powers as may be provided by these by-laws or as may from time to time be determined by the Board of Directors, any Committee constituted pursuant to Article IV of these by-laws with power for the purpose, the Chief Executive Officer, or the Chief Operating Officer.

SECTION 9. Controller. The Controller shall be the chief accounting officer of the Corporation and shall see that the accounts of the Corporation and its subsidiary corporations are maintained in accordance with generally accepted accounting principles; and all decisions affecting the accounts shall be subject to his approval or concurrence. He shall supervise the manner of keeping all vouchers for payments by the Corporation and its subsidiary corporations and all other documents relating to such payments, shall receive and consolidate all operating and financial statements of the Corporation, its various departments, divisions and subsidiary corporations; shall have supervision of the books of account of the Corporation and its subsidiary corporations, their arrangement and classification; shall supervise the accounting practices of the Corporation and its subsidiary corporations and shall have charge of all matters relating to taxation.

SECTION 10. Assistant Controllers. At the request of the Controller or in his absence or disability the Assistant Controller designated by him or (failing such request or designation) the Assistant Controller or other officer designated by the President shall perform all the duties of the Controller and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Controller.

SECTION 11. Treasurer. The Treasurer shall be the fiscal officer of the Corporation. He shall have the care and custody of all moneys, funds and securities of the Corporation, and shall cause the same to be deposited in such bank or banks or depositories as

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from time to time may be designated, pursuant to Section 4 and Section 5 of Article VI of these by-laws; shall advise upon all terms of credit granted by the Corporation and its subsidiary corporations, respectively; shall be responsible for the collection of their accounts, and shall cause to be recorded, daily, a statement of all receipts and disbursements of the Corporation and its subsidiary corporations, in order that proper entries may be made in the books of account; and shall have power to give proper receipts or discharges for all payments to the Corporation. He shall also have power to sign any or all certificates of stock of the Corporation.

SECTION 12. Assistant Treasurers. At the request of the Treasurer or in his absence or disability the Assistant Treasurer designated by him or (failing such request or designation) the Assistant Treasurer or other officer designated by the President shall perform all the duties of the Treasurer and, when so acting, shall have the powers of, and be subject to all the restrictions upon, the Treasurer.

SECTION 13. Secretary. The Secretary shall attend to the giving of notice of all meetings of stockholders and of the Board of Directors and shall record all the proceedings of the meetings thereof in books to be kept for that purpose. He shall have charge of the corporate seal and have authority to attest any and all instruments or writings to which the same may be affixed. He shall be custodian of all books, documents, papers and records of the Corporation, except those for which some other officer or agent is properly accountable. He shall have authority to sign any or all certificates of stock of the Corporation, and, in general, shall have all the duties and powers usually appertaining to the office of secretary of a corporation.

SECTION 14. Assistant Secretaries. At the request of the Secretary or in his absence or disability the Assistant Secretary designated by him or (failing such request or designation) the Assistant Secretary or other officer designated by the President shall perform all the duties of the Secretary and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary.

SECTION 15. Additional Duties and Powers. In addition to the foregoing especially enumerated duties and powers, the several officers of the Corporation shall perform such other duties and exercise such further powers as may be provided in these by-laws or as may from time to time be determined by the Board of Directors, or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose, or by any competent superior officer.

SECTION 16. Compensation. The compensation of all officers, except assistant officers, of the Corporation shall be fixed, from time to time by the Board of Directors, or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose.

SECTION 17. Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairman, the President, the Chief Executive Officer, the Chief Operating Officer, or the Secretary. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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## ARTICLE VI.

## CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

SECTION 1. Contracts, etc., How Executed. The Board of Directors, or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose, except as in these by-laws otherwise provided, may authorize any officer or officers, agent or agents, of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors or by such Committee or by these by-laws, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or agreement or to pledge its credit or to render it liable pecuniarily for any purpose or to any amount.

SECTION 2. Loans. No loan shall be contracted on behalf of the Corporation, and no negotiable paper shall be issued in its name, unless authorized by the Board of Directors or by any Committee constituted pursuant to Article IV of these by-laws with power for the purpose. When so authorized, the Chairman, President, Chief Executive Officer, Chief Operating Officer, or a Vice President or the Secretary or the Treasurer or the Assistant Treasurer of the Corporation may effect loans and advances at any time for the Corporation from any bank, trust company or other institution, or from any firm, corporation or individual and for such loans and advances may make, execute and deliver promissory notes or other evidences of indebtedness of the Corporation and, when authorized as aforesaid, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, may mortgage, pledge, hypothecate or transfer any real or personal property at any time held by the Corporation and to that end execute instruments of mortgage or pledge or otherwise transfer such property. Such authority may be general or confined to specific instances.

SECTION 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, employee or employees, of the Corporation as shall from time to time be determined by resolution of the Board of Directors or by any Committee constituted pursuant to Article IV of these by-laws with power for the purpose, or by any officer or officers authorized pursuant to Section 4 or Section 5 of this Article to designate depositories or to open bank accounts.

SECTION 4. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose may from time to time designate, or as may be designated by an officer or officers of the Corporation to whom such power may be delegated by the Board of Directors, or by such Committee, and for the purpose of such deposit, the President, the Chief Executive Officer, the Chief Operating Officer, or a Vice President, or the Treasurer, or an Assistant Treasurer, or the Secretary, or an Assistant Secretary, may endorse, assign and deliver checks, drafts and other orders for the payment of money which are payable to the order of the Corporation.

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SECTION 5. General and Special Bank Accounts . The Board of Directors or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose, or any officer or officers of the Corporation to whom such powers may be delegated by the Board of Directors, or by such Committee, may from time to time authorize the opening and keeping with such banks, trust companies or other depositaries as it, or they, may designate of general and special bank accounts, and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these by-laws, as it, or they, may deem expedient.

SECTION 6. Proxies . Except as otherwise in these by-laws or in the Restated Certificate of Incorporation of the Corporation provided, and unless otherwise provided by resolution of the Board of Directors, or of any Committee constituted pursuant to Article IV of these by-laws with power for the purpose, the Chairman or President or Chief Executive Officer may from time to time appoint an attorney or attorneys or agent or agents, of the Corporation, in the name and on behalf of the Corporation to cast the votes which the Corporation may be entitled to cast as a stockholder or otherwise in any other corporation any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation, or to consent in writing to any action by such other corporation, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

SECTION 7. Independent Public Accountants . The stockholders of the Corporation shall, at each annual meeting, ratify the appointment of the independent public accountants made by the Audit Committee of the Board of Directors for the purpose of auditing and certifying the annual financial statements of the Corporation for its current fiscal year as sent to stockholders or otherwise published by the Corporation. If the stockholders shall fail or decline to ratify such independent public accountants or if the independent public accountants so ratified by the stockholders shall decline to act or resign, or for some other reason be unable to perform their duties, the Audit Committee of the Board of Directors shall appoint other independent public accountants to stand until the next Annual Meeting of Stockholder to perform the duties herein provided.

## ARTICLE VII.

### SHARES AND THEIR TRANSFER.

SECTION 1. Shares . The shares of the Corporation shall be represented by certificates or, if so resolved by the Board of Directors in accordance with these by-laws, shall be uncertificated. Each registered holder of shares, upon request to the Corporation, shall be provided with a certificate of stock, representing the number of shares owned by such holder. Absent a specific request for such a certificate by the registered owner or transferee thereof, all shares shall be uncertificated upon the original issuance thereof by the Corporation or upon the surrender of the certificate representing such shares to the Corporation. Certificates for shares of the capital stock of the Corporation shall be in such form as shall be approved by the Board of Directors or by any Committee constituted pursuant to Article IV of these by-laws with power for the purpose. They shall be numbered, shall certify the number of shares held by the holder

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thereof and shall be signed by the Chairman, President, or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Corporation, and the seal of the Corporation shall be affixed thereto. Where any such certificate is countersigned by a transfer agent, other than the Corporation or its employee, or by a registrar, other than the Corporation or its employee, any other signature and the seal of the Corporation on such certificate may be a facsimile, engraved, stamped or printed. In any case any such officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon any such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such officer, transfer agent, or registrar were such officer, transfer agent or registrar at the date of its issue.

SECTION 2. Transfer of Stock . Transfers of shares of the capital stock of the Corporation shall be made only on the books of the Corporation by the holder thereof, or by his attorney thereunto authorized by a power of attorney duly executed and filed with the Secretary of the Corporation, or a transfer agent of the Corporation, if any, and on surrender of the certificate or certificates for such shares, properly endorsed, or upon receipt of proper transfer instructions from the owner of uncertificated shares, or upon the escheat of said shares under the laws of any state of the United States. A person in whose name shares of stock stand on the books of the Corporation shall be deemed the owner thereof as regards the Corporation, provided that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the Secretary or to said transfer agent, shall be so expressed in the entry of transfer.

SECTION 3. Addresses of Stockholders . Each stockholder shall designate to the Secretary of the Corporation an address at which notices of meetings and all other corporate notices may be served or mailed to him, and if any stockholder shall fail to designate such address, corporate notices may be served upon him by mail directed to him at his last known post office address as it appears on the records of the Corporation.

SECTION 4. Lost, Stolen, Destroyed and Mutilated Certificates . To deal with the eventuality of lost, stolen, destroyed and mutilated certificates of stock the Board of Directors or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose may establish by appropriate resolutions such rules and regulations as they deem expedient concerning the issue to such holder of uncertificated shares or, if requested by such holder, a new certificate or certificates of stock, including, without limiting the generality of the foregoing, such rules and regulations as they may deem expedient with respect to the proof of loss, theft or destruction and the surrender of mutilated certificates and the requirements as to the giving of a bond or bonds to indemnify the Corporation against any claim which may be made against it on account of the alleged loss, theft or destruction of any such certificate. The holder of any stock of the Corporation shall immediately notify the Corporation and/or the appropriate transfer agent of such stock of any loss, theft, destruction or mutilation of the certificate therefor.

SECTION 5. Transfer Agent and Registrar : Regulations . The Corporation shall, if and whenever the Board of Directors or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose shall so determine, maintain one or more transfer offices or agencies, each in charge of a transfer agent designated by the Board of Directors or by such Committee, where the shares of the capital stock of the Corporation shall be directly

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transferable, and also one or more registry offices, each in charge of a registrar designated by the Board of Directors or by such Committee, where such shares of stock shall be registered, and no certificate for shares of the capital stock of the Corporation, in respect of which a registrar and transfer agent shall have been designated, shall be valid unless countersigned by such transfer agent and registered by such registrar. A firm may act at the same time as both transfer agent and registrar of the Corporation. The Board of Directors or any such Committee may also make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of uncertificated shares or certificates for shares of the capital stock of the Corporation.

SECTION 6. Fixing Record Date. (a) In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

SECTION 7. Examination of Books by Stockholders. The Board of Directors or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose shall, subject to the laws of the State of Delaware, have power to determine, from time to time, whether and to what extent and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account, book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or any Committee constituted pursuant to Article IV of these by-laws with power for the purpose or of the stockholders of the Corporation.

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## ARTICLE VIII.

## DIVIDENDS, SURPLUS, ETC.

Subject to the provisions of the Restated Certificate of Incorporation and any restrictions imposed by statute, the Board of Directors may declare dividends from the surplus of the Corporation or from the net profits arising from its business, whenever, and in such amounts as, in its opinion, the condition of the affairs of the Corporation shall render advisable. If the date appointed for the payment of any dividend shall in any year fall on a legal holiday then the dividend payable on such date shall be payable on the next succeeding business day. The Board of Directors in its discretion may from time to time set aside from such surplus or net profits such sum or sums as it, in its absolute discretion, may think proper as a working capital or as a reserve fund to meet contingencies, or for the purpose of maintaining or increasing the property or business of the Corporation, or for any other purpose it may think conducive to the best interests of the Corporation. All such surplus or net profits, until actually declared in dividends, or used and applied as aforesaid, shall be deemed to have been so set aside by the Board for one or more of said purposes.

## ARTICLE IX.

## SEAL.

The corporate seal of the Corporation shall consist of a metallic stamp, circular in form, bearing in its center the figures and word "1929, Delaware", and at the outer edge the name of the Corporation.

## ARTICLE X.

## FISCAL YEAR.

The fiscal year of the Corporation shall begin on the first day of January in each year.

## ARTICLE XI.

## AMENDMENTS.

All by-laws of the Corporation shall be subject to alteration or repeal, and new by-laws not inconsistent with any provision of the Restated Certificate of Incorporation of the Corporation or any provision of law, may be made, by the Board of Directors at any regular or special meeting or by the stockholders of the Corporation in accordance with these by-laws. Notwithstanding anything else contained in these by-laws to the contrary, the affirmative vote of the holders of record of at least 66 2/3% of the combined voting power of all the outstanding stock of the Corporation entitled to vote in respect thereof, voting together as a single class, shall be required in order for the stockholders to adopt, alter, amend, rescind or repeal any by-laws of the Corporation.

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**CURTISS-WRIGHT CORPORATION and SUBSIDIARIES**
**Exhibit 31.1****CERTIFICATIONS**

I, Martin R. Benante, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Curtiss-Wright Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15(e) and 15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be

designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2005  
/s/ Martin R. Benante

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Chairman and Chief Executive Officer

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## CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

Exhibit 31.2

### CERTIFICATIONS

I, Glenn E. Tynan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Curtiss-Wright Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15(e) and 15d – 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be

designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2005

/s/ Glenn E. Tynan

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Chief Financial Officer

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**Exhibit 32**

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

In connection with the Quarterly Report of Curtiss-Wright Corporation (the "Company") on Form 10-Q for the period ended March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Martin R. Benante, as Chairman and Chief Executive Officer of the Company, and Glenn E. Tynan, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. section 1350, that to the best of his knowledge:

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

/s/ Martin R. Benante

Martin R. Benante  
Chairman and  
Chief Executive Officer  
May 10, 2005

/s/ Glenn E. Tynan

Glenn E. Tynan  
Chief Financial Officer  
May 10, 2005

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