



## Curtiss-Wright Reports:

**2002 Sales and Operating Income up 50% and 31%, Respectively; New Orders and Backlog are at Record Levels Seventh Consecutive Year of Revenue Growth**

ROSELAND, N.J., Mar 12, 2003 /PRNewswire-FirstCall via COMTEX/ -- Curtiss-Wright Corporation (NYSE: CW; CW.B) today announced financial results for the fourth quarter and full year ended December 31, 2002.

- Net sales for the fourth quarter rose 79% to \$174,073,000 from \$97,226,000 for the fourth quarter of last year. Acquisitions from 2002 and the fourth quarter of 2001 contributed \$89,838,000 to sales in the quarter. Net sales for the full year 2002 increased 50% to \$513,278,000 from \$343,167,000 in 2001. Acquisitions in 2002 and the fourth quarter of 2001 contributed \$181,831,000 to sales for the full year 2002.
- Reported operating income of \$21,286,000 for the fourth quarter of 2002 represents an increase of 81% from operating income of \$11,729,000 for the fourth quarter of last year. Operating margins in the fourth quarter of 2002 were adversely affected by approximately \$2,200,000 pertaining to purchase accounting adjustments related to our Electro-Mechanical Division ("EMD") acquisition made on October 28, 2003. The fourth quarter of both years included nonrecurring items. Operating income in the fourth quarter of 2002 included a net settlement of a lawsuit for \$1,000,000 while last year's fourth quarter included a net gain of \$1,217,000 associated with the demutualization of an insurance company. After adjusting for nonrecurring items, "normalized" operating income for the fourth quarter of 2002 was \$20,286,000 representing an increase of 93% over normalized operating income of \$10,512,000 for the same period of 2001. Acquisitions in 2002 and the fourth quarter of 2001 contributed \$12,873,000 to operating income in the quarter.
- Reported operating income for the year 2002 of \$61,829,000 represents an increase of \$14,671,000, or 31% over last year's operating income of \$47,158,000. The full year 2002 includes the \$2,200,000 purchase accounting adjustments relative to EMD referred to above. Both years included nonrecurring items (see table below). After adjusting for nonrecurring items, normalized operating income for the year 2002 was \$61,280,000, an increase of 33% over normalized operating income of \$45,941,000 for 2001. Acquisitions in 2002 and the fourth quarter of 2001 contributed \$19,667,000 to operating income for the full year 2002.
- Reported net earnings for the fourth quarter of 2002 were \$13,692,000, or \$1.31 per diluted share as compared to \$34,473,000, or \$3.37 per diluted share for the same quarter of 2001. The fourth quarter of both years included nonrecurring items (see table below). After adjusting for nonrecurring items, normalized net earnings for the fourth quarter of 2002 were \$12,142,000, or \$1.16 per diluted share, comprised of \$12,230,000 or \$1.17 per diluted share from operations and a reduction of \$88,000 or \$0.01 per diluted share from nonoperating sources. Normalized net earnings in the fourth quarter of 2001 from operating segments were \$6,503,000 or \$0.64 per diluted share and \$5,723,000 or \$0.56 per diluted share from nonoperating sources. The increase in number of shares outstanding had a negative impact of \$0.03 on diluted earnings per share for the fourth quarter of 2002.
- Reported net earnings for the year 2002 were \$45,136,000, or \$4.33 per diluted share as compared to net earnings of \$62,880,000, or \$6.14 per diluted share, for the year 2001. Both years included nonrecurring items (see table below). After adjusting for nonrecurring items, normalized net earnings for the year 2002 were \$41,642,000 or \$3.99 per diluted share, comprised of \$37,760,000 or \$3.62 per diluted share from operations and \$3,881,000 or \$0.37 per diluted share from non-operating sources. Normalized net earnings in 2001 was \$40,633,000 or \$3.97 per diluted share comprised of \$28,267,000 or \$2.76 per diluted share from operating segments and \$12,366,000 or \$1.21 per diluted share from non-operating sources. The increase in number of shares outstanding had a negative impact of \$0.08 on diluted earnings per share for the full year 2002.
- Backlog at December 31, 2002 was \$478,494,000 which was 98% higher than backlog of \$242,257,000 at the end of 2001. Acquisitions made during 2002 represented \$246,919,000 of the backlog at December 31, 2002. New orders received in 2002 of \$478,197,000 were 46% higher than 2001 new orders of \$326,475,000. Acquisitions contributed \$67,641,000 to new orders received in 2002.

Overall sales improvements in 2002 for both the fourth quarter and full year as compared to 2001 were due to both acquisitions and increases in some of our base businesses, most notably in aerospace defense and flow control products for

the nuclear power generation markets, nuclear naval programs, and the heavy truck OEM market. Although down slightly for the full year, sales of overhaul and repair services to the aerospace industry experienced a sharp increase in the fourth quarter of 2002 over the same period in 2001, and more importantly continued to show improvement in operating margins when compared to the prior year. Sales to the commercial aerospace OEM market and processing industries were down for both the full year and the quarter. Acquisitions consummated in 2002 and the fourth quarter of 2001 contributed \$89,838,000 and \$181,831,000 of sales in the fourth quarter and full year 2002, respectively.

Curtiss-Wright's 2002 performance continues to reflect a deliberate shift in the components of earnings from nonoperating to operating elements. Increased business segment operating income in 2002 more than offset the decrease from the Company's 2001 nonoperating rental and investment income. Last year's financial results included rental income associated with a property which was sold in December 2001 and higher investment income generated from cash resources which have since been utilized for acquisitions. Operating income from our business segments increased \$8,643,000 and \$15,240,000 for the fourth quarter and full year of 2002, respectively, as compared to last year's comparable periods. The increase in business segment operating income equates improved earnings per diluted share of \$0.51 and \$0.92 for the fourth quarter and full year 2002, respectively, as compared to the prior year. The decreases in nonoperating income elements described above, when comparing 2002 to 2001, reduced net earnings in 2002 by \$0.09 and \$0.27 per diluted share for the fourth quarter and full year, respectively. The shift of resources from nonoperating to operating assets is producing the desired benefits.

In both 2002 and 2001, the Company recognized several nonrecurring items. In 2002, the Company recorded net gains related to the sale of rental property, a net gain relating to the reallocation of postretirement medical benefits for certain active employees to our pension plan, costs associated with the relocation of a shot-peening facility, release of an indemnification reserve related to the sale of rental property that was no longer required, a net legal settlement and a refund due from the Internal Revenue Service relative to a research and development credit. The results for 2001 included a gain associated with the sale of rental property, recapitalization costs and a net nonrecurring benefit gain. These items, which are presented in the tables below, had a net positive impact on net earnings of \$3,494,000, or \$0.34 per diluted share in 2002 and \$22,247,000, or \$2.17 per diluted share in 2001. The following tables depict the Company's "normalized" results, which is intended to present what management believes is a clearer picture of after-tax performance by adjusting net earnings based upon accounting principles generally accepted in the United States for the impact of certain nonrecurring items. This schedule may not be comparable to similarly titled financial measures of other companies, does not represent alternative measures of the Corporation's cash flows or operating income, and should not be considered in isolation or as an alternative for measures of performance presented in accordance with accounting principles generally accepted in the United States of America.

4th QUARTER: (In thousands, except per share figures)	NONRECURRING ITEMS					
	2002			2001		
	Operating	Non- Oper.	Total	Operating	Non- Oper.	Total
GAAP Net earnings	\$ 12,846	\$ 846	\$ 13,692	\$ 7,251	\$ 27,222	\$ 34,473
Gain on sale of non operating property	-	-	-	-	(22,999)	(22,999)
Recapitalization costs	-	-	-	-	1,500	1,500
Net nonrecurring benefit gain	-	-	-	(748)	-	(748)
Legal settlement	(616)	-	(616)	-	-	-
IRS refund due	-	(934)	(934)	-	-	-
Normalized net earnings	\$ 12,230	\$ (88)	\$ 12,142	\$ 6,503	\$ 5,723	\$ 12,226
Diluted Shares Outstanding	10,484	10,484	10,484	10,224	10,224	10,224
Normalized earnings per diluted share	\$1.17	\$(0.01)	\$1.16	\$0.64	\$0.56	\$1.20
FULL YEAR: (In thousands, except per share figures)	2002			2001		
	Operating	Non- Oper.	Total	Operating	Non- Oper.	Total
GAAP Net earnings	\$ 38,098	\$ 7,038	\$ 45,136	\$ 29,015	\$ 33,865	\$ 62,880
Gain on sale of non operating property	-	(435)	(435)	-	(22,999)	(22,999)

Postretirement and post employment adjustments, net	-	(986)	(986)	-	-	-
Facility consolidation costs	278	-	278	-	-	-
Recapitalization costs	-	-	-	-	1,500	1,500
Net nonrecurring benefit gain	-	-	-	(748)	-	(748)
Release of indemnification reserve	-	(801)	(801)	-	-	-
Legal settlement	(616)	-	(616)	-	-	-
IRS refund due	-	(934)	(934)	-	-	-
Normalized net earnings	\$ 37,760	\$3,882	\$ 41,642	\$28,267	\$ 12,366	\$ 40,633
Diluted Shares Outstanding	10,434	10,434	10,434	10,236	10,236	10,236
Normalized earnings per diluted share	\$3.62	\$0.37	\$3.99	\$2.76	\$1.21	\$3.97

Martin Benante, Chairman and Chief Executive Officer of Curtiss-Wright stated, "We are very proud to have achieved our seventh consecutive year of revenue increase despite the challenges in some of the markets we serve. The Company's normalized net earnings have also seen an increase for the fourth consecutive year. While sales have greatly benefited from our acquisition program, sales in our base businesses have remained level with the prior year. The industrial and commercial aerospace markets have been particularly challenging. Our diversification strategy is producing the balance of business that has allowed us to continue achieving profitable growth from our business segments during a weak economic cycle. The seven acquisitions made during 2001 and six made in 2002 significantly increased our market penetration, particularly within the defense industry, and also expanded our geographic reach and technological capabilities, giving us reason to remain optimistic about the coming year.

In addition, the projected increase in military procurement spending to the highest levels since 1991 should provide opportunities for us in the future. Our position on many defense programs is outstanding, with a mix of products for aerospace, land-based and naval defense platforms that have never been stronger. This balanced blend of projects will provide both short and long-term benefits."

#### Segment Performance

**Motion Control** -- Sales for 2002 of \$233.4 million increased 70% over last year due principally to the acquisitions of Lau Defense Systems and Vista Controls in November of 2001 and Penny & Giles and Autronics in April of 2002. The base business did experience some lower sales associated with the overhaul and repair services provided to the global airline industry, lower production of commercial aircraft by Boeing and a slight drop in the global ground defense businesses. These lower sales were partially offset by stronger military aerospace sales primarily related to the F-22 program and F-16 spare parts. The business segment also benefited from favorable currency translation.

Operating margins for both the fourth quarter and the year benefited from margin improvements on aerospace overhaul and repair services and aerospace defense products. Offsetting these improvements were lower margins related to our OEM products for commercial aerospace due primarily to the lower volume. Operating margins in 2002 benefited from favorable currency translation of approximately \$0.3 million and the elimination of goodwill amortization in 2002, which totaled \$0.6 million in 2001. However, 2002's results include \$1.7 million amortization of other intangible assets relative to the recent acquisitions.

**Flow Control** -- Sales for this segment of \$172.5 million for 2002 were up 76% over last year. The higher sales reflect the acquisitions of the Electro-Mechanical Division of Westinghouse Government Services Company and TAPCO International, Inc. in the fourth quarter of 2002 and the full year contributions from the acquisitions of Solent & Pratt, Peerless Instruments, Inc. and Deltavalve, Inc. completed during 2001. In addition to the benefits from these acquisitions, we experienced sales growth in our base businesses which was driven by stronger sales of nuclear products for both the navy and commercial power generation markets, and higher sales to the heavy truck markets.

Overall, operating income for this segment increased 109% for the quarter and 93% for the full year over the comparable prior year periods. In addition to the benefit of acquisitions, increased operating profits from our base businesses contributed to the higher overall operating income. Operating income of our base businesses improved 21% from the prior year. Margin improvements on flow control products for nuclear applications and heavy truck markets, and overall cost reduction programs contributed to this operating income performance. Margins also benefited from the elimination of goodwill amortization in 2002, which totaled \$1.0 million in 2001.

Metal Treatment -- This business segment's sales for 2002 of \$107.4 million was virtually flat with sales of 2001. There were lower sales related to shot-peening, particularly in the European market, which was impacted by softness in the aerospace and automotive sectors, which were partially offset by the acquisition of a Swedish facility earlier in the year and sales from our new laser-peening technology. The business segment realized higher heat-treating sales in the United States due primarily to the full year contribution of acquisitions made in the fourth quarter of 2001. Foreign exchange translation also had a favorable impact on sales.

Operating earnings declined for both the quarter and the year. Contributing factors for the year were unfavorable sales mix, start-up costs at new facilities, and certain nonrecurring costs associated with the relocation of a shot-peening facility. Margins benefited in the year from favorable currency translation of approximately \$0.6 million and the elimination of goodwill amortization in 2002, which totaled \$0.2 million in 2001.

Mr. Benante concluded, "We begin the year 2003 confident in our ability to build on our solid business foundation and generate long-term shareholder value by increasing sales and earnings. Although 2003 is likely to present a challenging business environment, we will increase shareholder value by executing our strategies and achieving our financial targets. Our diversification strategy and ongoing emphasis on technology should continue to generate growth opportunities in each of our three business segments."

The Company will hold a conference call with financial analysts to discuss the fourth quarter and full year 2002 results at 10:00 Friday, March 14, 2003. A live webcast of the call can be heard on the Internet by visiting the company's website at [www.curtisswright.com](http://www.curtisswright.com) and clicking on the investor information page or by visiting other websites that provide links to corporate webcasts.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS  
(In thousands except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
Net sales	\$ 174,073	\$ 97,226	\$ 513,278	\$ 343,167
Cost of sales	119,040	62,444	337,192	215,350
Gross profit	55,033	34,782	176,086	127,817
Research & development costs	4,020	1,204	11,624	4,383
Selling expenses	8,422	4,870	29,553	18,325
General and administrative expenses	21,314	16,909	71,843	57,784
Environmental expenses (recoveries), net	(9)	70	1,237	167
Operating income	21,286	11,729	61,829	47,158
Investment income, net	(38)	272	591	2,599
Rental income, net	0	1,114	148	3,585
Pension income, net	446	3,491	7,208	11,042
Gain on sale of real property	0	38,882	681	38,882
Other income, net	218	540	3,088	111
Interest expense	(771)	(263)	(1,810)	(1,180)
Earnings before income taxes	21,141	55,765	71,735	102,197
Provision for income taxes	7,449	21,292	26,599	39,317
Net earnings	\$ 13,692	\$ 34,473	\$ 45,136	\$ 62,880
Basic earnings per share	\$ 1.34	\$ 3.44	\$ 4.43	\$ 6.25
Diluted earnings per share	\$ 1.31	\$ 3.37	\$ 4.33	\$ 6.14
Dividends per share	\$ 0.15	\$ 0.15	\$ 0.60	\$ 0.54
Weighted average shares outstanding:				
Basic	10,256	10,075	10,199	10,061
Diluted	10,484	10,216	10,434	10,236

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

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

	December 31, 2002	December 31, 2001	Change \$	%
<b>Assets</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 47,717	\$ 25,495	\$ 22,222	87.2%
Short-term investments	330	41,658	(41,328)	-99.2%
Receivables, net	142,800	87,055	55,745	64.0%
Inventories, net	80,166	55,784	24,382	43.7%
Deferred income taxes	21,840	9,565	12,275	128.3%
Other current assets	8,833	5,770	3,063	53.1%
<b>Total current assets</b>	<b>301,686</b>	<b>225,327</b>	<b>76,359</b>	<b>33.9%</b>
Property, plant and equipment, at cost	354,990	227,100	127,890	56.3%
Less: Accumulated depreciation	135,941	121,949	13,992	11.5%
Property, plant and equipment, net	219,049	105,151	113,898	108.3%
Prepaid pension costs	76,072	70,796	5,276	7.5%
Goodwill, net	181,101	83,585	97,516	116.7%
Other Intangible Assets, net	21,982	9,045	12,937	143.0%
Other assets	13,034	6,524	6,510	99.8%
<b>Total Assets</b>	<b>\$ 812,924</b>	<b>\$ 500,428</b>	<b>\$ 312,496</b>	<b>62.4%</b>
<b>Liabilities</b>				
<b>Current Liabilities:</b>				
Current portion of long-term debt	\$ 32,837	\$ -	\$ 32,837	N/A
Accounts payable	41,188	19,362	21,826	112.7%
Accrued expenses	32,321	23,163	9,158	39.5%
Income taxes payable	4,528	17,704	(13,176)	-74.4%
Other current liabilities	53,575	15,867	37,708	237.6%
<b>Total current liabilities</b>	<b>164,449</b>	<b>76,096</b>	<b>88,353</b>	<b>116.1%</b>
Long-term debt	119,041	21,361	97,680	457.3%
Deferred income taxes	6,605	26,043	(19,438)	-74.6%
Accrued pension & postretirement benefit costs	77,438	6,611	70,827	1071.4%
Long-term portion of environmental reserves	22,585	9,525	13,060	137.1%
Other liabilities	11,578	10,838	740	6.8%
<b>Total Liabilities</b>	<b>401,696</b>	<b>150,474</b>	<b>251,222</b>	<b>167.0%</b>
<b>Stockholders' Equity</b>				
Common stock, \$1 par value	10,618	10,618	-	N/A
Class B common stock, \$1 par value	4,382	4,382	-	N/A
Capital surplus	52,200	52,532	(332)	-0.6%
Retained earnings	508,298	469,303	38,995	8.3%
Unearned portion of restricted stock	(60)	(78)	18	-23.9%
Accumulated other comprehensive income	6,482	(6,831)	13,313	-194.9%
	581,920	529,926	51,994	9.8%
Less: Common treasury stock, at cost	170,692	179,972	(9,280)	-5.2%

Total Stockholders' Equity	411,228	349,954	61,274	17.5%
Total Liabilities and Stockholders' Equity	\$ 812,924	\$ 500,428	\$ 312,496	62.4%

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

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES  
SEGMENT INFORMATION  
(In thousands)

	Three Months Ended December 31,			Twelve Months Ended		
	2002	2001	% Change	2002	2001	% Change
<b>Sales:</b>						
Motion Control	\$ 69,519	\$ 41,412	67.9%	\$ 233,437	\$ 137,103	70.3%
Flow Control	76,906	29,429	161.3%	172,455	98,257	75.5%
Metal Treatment	27,648	26,385	4.8%	107,386	107,807	-0.4%
Total Segments	\$174,073	\$ 97,226	79.0%	\$ 513,278	\$ 343,167	49.6%
<b>Operating Income:</b>						
Motion Control	\$ 9,140	\$ 4,561	100.4%	\$ 29,579	\$ 19,219	53.9%
Flow Control	9,136	4,377	108.7%	20,693	10,703	93.3%
Metal Treatment	3,833	4,528	-15.3%	14,403	19,513	-26.2%
Total Segments	22,109	13,466	64.2%	64,675	49,435	30.8%
Corporate & Other	(823)	(1,737)	-52.6%	(2,846)	(2,277)	25.0%
Total Operating Income	\$ 21,286	\$ 11,729	81.5%	\$ 61,829	\$ 47,158	31.1%
<b>Operating Margins:</b>						
Motion Control	13.1%	11.0%		12.7%	14.0%	
Flow Control	11.9%	14.9%		12.0%	10.9%	
Metal Treatment	13.9%	17.2%		13.4%	18.1%	
Total Curtiss-Wright	12.2%	12.1%		12.0%	13.7%	

Curtiss-Wright Corporation is a diversified provider of highly engineered products and services to the Motion Control, Flow Control and Metal Treatment industries. The firm employs approximately 4,200 people. More information on Curtiss-Wright can be found on the Internet at [www.curtisswright.com](http://www.curtisswright.com).

Forward-looking statements in this release related to expectations of continued high revenues continued sales and income growth, and are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Such risks and uncertainties include, but are not limited to: a reduction in anticipated orders; an economic downturn; changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations; changes in government spending; changes in the competitive marketplace and/or customer requirements; an inability to perform customer contracts at anticipated cost levels; and other factors that generally affect the business of aerospace, defense, marine, and industrial companies. Please refer to the Company's SEC filings under the Securities and Exchange Act of 1934, as amended, for further information.

SOURCE Curtiss-Wright Corporation

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