



Curtiss-Wright Reports 2004 Third Quarter and Nine Month Financial Results

Sales Increased 25% and 22% and Operating Income 19% & 21% in the Third Quarter and First Nine Months of 2004, Respectively

Backlog at Record Level

ROSELAND, N.J., Oct. 28 /PRNewswire-FirstCall/ -- Curtiss-Wright Corporation (NYSE: CW, CW.B) today reports financial results for the quarter and nine months ended September 30, 2004. The highlights are as follows:

Third Quarter 2004 Operating Highlights

- * Net sales for the third quarter of 2004 increased 25% to \$236.6 million from \$189.6 million in the third quarter of 2003. Acquisitions made in the second half of 2003 and in 2004 contributed \$43.0 million in incremental sales in the third quarter of 2004.
- * Operating income in the third quarter of 2004 increased 19% to \$25.5 million from \$21.4 million in the third quarter of 2003. Acquisitions made in the second half of 2003 and in 2004 contributed \$2.8 million in incremental operating income in the third quarter of 2004. The increase in operating income was achieved despite a \$0.8 million decrease in pension income from the third quarter of 2003 and approximately \$1.3 million of costs related to compliance with Sarbanes-Oxley Section 404.
- * Net earnings for the third quarter of 2004 increased 18% to \$14.7 million, or \$0.68 per diluted share, from \$12.5 million, or \$0.60 per diluted share, in the third quarter of 2003 (adjusted for the 2-for-1 stock split in December 2003). The net earnings for the third quarter of 2004 include a tax benefit of \$0.6 million (approximately \$0.03 per diluted share) resulting from the recognition of a previously unprovided for deferred tax asset. In addition, the increase in net earnings in the third quarter of 2004 was achieved despite a decrease in pension income (approximately \$0.02 per diluted share) and Sarbanes-Oxley costs (approximately \$0.04 per diluted share).
- * New orders received in the third quarter of 2004 were \$239.7 million, up 89% compared to the third quarter of 2003.

Nine Months 2004 Operating Highlights

- * Net sales for the first nine months of 2004 increased 22% to \$673.9 million from \$552.4 million in the first nine months of 2003. Acquisitions made in 2003 and 2004 contributed \$101.4 million in incremental sales in the first nine months of 2004.
- * Operating income in the first nine months of 2004 increased 21% to \$76.4 million from \$63.2 million in the first nine months of 2003. Acquisitions made in 2003 and 2004 contributed \$7.5 million in incremental operating income in the first nine months of 2004. The increase in operating income was achieved despite a \$2.0 million decrease in pension income from the first nine months of 2003 and approximately \$1.7 million of costs related to compliance with Sarbanes-Oxley Section 404.
- * Net earnings for the first nine months of 2004 increased 19% to \$44.7 million, or \$2.08 per diluted share, from \$37.5 million, or \$1.80 per diluted share, in the first nine months of 2003 (adjusted for the 2-for-1 stock split in December 2003). In addition, the increase in 2004 net earnings was achieved despite a decrease in pension income (approximately \$0.06 per diluted share) and Sarbanes-Oxley costs (approximately \$0.05 per diluted share).

* New orders received in the first nine months of 2004 were \$683.2 million, up 32% compared to the first nine months of 2003. Backlog increased 13% to a new record high of \$570.9 million from \$505.5 million at December 31, 2003.

"We are pleased to again report higher sales and operating income for the third quarter and first nine months of 2004," commented Martin R. Benante, Chairman and CEO of Curtiss-Wright Corporation. "We experienced organic growth in some of our base businesses, as well as solid performance from our acquisitions. Overall our acquisitions are meeting our expectations, however, they do generate lower operating margins than those of our base businesses during the early periods of ownership. Our diversification strategy has provided growth in the first nine months of 2004 for both our core defense markets, which grew 21%, and commercial and industrial markets, which grew 23%, over the prior year period. We also experienced strong organic sales growth from our Metal Treatment segment, which grew 21% year-to-date, and strong organic operating income growth in our Metal Treatment and Motion Control segments, which grew 67% and 24%, respectively, for the first nine months of 2004."

Sales

Sales growth in 2004 for the three and nine months ended September 30th as compared to 2003, was driven by contributions from acquisitions and organic growth in some of our base businesses. Acquisitions made in 2003 and 2004 have contributed \$43.0 million and \$101.4 million in incremental sales for the quarter and nine months ended September 30, 2004, respectively, over the comparable periods in 2003. Excluding the overall sales from these acquisitions, we experienced organic growth of 2% and 4% for the three and nine months ended September 30, 2004, respectively, over the prior year periods. The organic sales growth was driven by our Metal Treatment and Motion Control segments, which experienced organic growth of 21% and 4%, respectively, for the first nine months of 2004.

In our base businesses, higher sales of global shot and laser peening from our Metal Treatment segment, higher sales from our Flow Control segment to the commercial power generation and oil and gas markets, and higher repair and overhaul sales from our Motion Control segment to the global commercial aerospace market, all contributed to the organic growth. In addition, foreign currency translation favorably impacted sales by \$4.1 million and \$11.8 million for the three and nine months ended September 30, 2004, respectively, compared to the prior year periods.

Operating Income

Operating income for the three and nine months ended September 30, 2004 increased 19% and 21%, respectively, over the 2003 prior year periods. The increases were due to higher sales volumes, favorable sales mix and previously implemented cost control initiatives. Overall, organic growth was 7% and 12% for the three and nine months ended September 30, 2004, respectively, compared to the prior year periods. The strong year-to-date performance was driven by our Metal Treatment and Motion Control segments, which produced organic growth of 67% and 24%, respectively. The solid segment operating income growth was achieved despite the absorption of consulting costs associated with Sarbanes- Oxley Rule 404 compliance which primarily occurred in the third quarter.

The higher segment operating income was partially offset by lower pension income of \$0.8 million and \$2.0 million for the three and nine months ended September 30, 2004, respectively, over the comparable prior year periods. In addition, foreign currency translation favorably impacted operating income by \$0.7 million and \$1.9 million for the three and nine months ended September 30, 2004, respectively, compared to the prior year periods.

On a consolidated basis, our operating margin was 10.8% in the third quarter of 2004 versus 11.3% in the prior year. Our year to date operating margin was 11.3% versus 11.4% last year. Our operating margins continue to be affected by higher amortization expense due to our robust acquisition activity over the past couple of years. Approximately 40% of the amortization expense for the first nine months of 2004, or \$2.6 million, occurred in the third quarter and caused a drag on our earnings.

Net Earnings

Net earnings increased 18% and 19% for the three and nine months ended September 30, 2004, respectively, over the comparable prior year periods. This was achieved as a result of strong operating income from our business segments, which increased \$6.1 million and \$16.8 million for the three and nine months ended September 30, 2004, respectively, over the prior year periods.

Net earnings for the first nine months includes two one-time tax benefits totaling \$2.1 million, a change in legal structure of one of our subsidiaries in the first quarter (\$1.5 million) and the recognition of a previously unprovided for deferred tax asset in the third quarter (\$0.6 million). These improvements were partially offset by higher interest expense associated with the debt incurred to fund our acquisition program and from higher interest rates.

Segment Performance

Flow Control - Sales for the third quarter of 2004 were \$94.2 million, up 12% over the comparable period last year, principally due to the contributions from the 2004 acquisitions. Sales growth was achieved in the commercial power generation, oil and gas, and defense electronics markets. This growth was mostly offset by lower sales of flow control products to the US Navy primarily due to the timing of contractual revenues. Sales of this business segment also benefited from favorable foreign currency translation of \$0.5 million in the third quarter of 2004 as compared to the prior year period.

Operating income for this segment increased 39% in the third quarter of 2004 compared to the prior year period. The improvement was due to strong organic growth of 47%, lead by favorable sales mix, implemented cost reduction initiatives, and higher sales volume of our commercial power generation, oil and gas, and defense electronic products. The improvement was partially offset by the profit impact related to lower sales of flow control product to the US Navy.

Motion Control - Sales for the third quarter of 2004 of \$97.7 million increased 39% over last year, principally due to the contributions from the 2003 and 2004 acquisitions. Sales from the base businesses decreased 5% in the third quarter of 2004 as compared to the prior year period. This reduction was due to lower sales of F-16 spares and lower ground defense sales associated with the Bradley Fighting Vehicle. Higher sales associated with repair and overhaul services and our integrated sensor group partially offset the decrease in military sales. Sales of this business segment also benefited from favorable foreign currency translation of \$2.0 million in the third quarter of 2004 as compared to the prior year period.

Operating income for this segment increased 9% for the third quarter of 2004 compared to the prior year period. The improvement was driven by higher sales volume previously mentioned, favorable sales mix, and implemented cost control initiatives. Additionally, the operating margins for the repair and overhaul business improved substantially over the comparable period last year, mainly as a result of higher volume and implemented cost control initiatives.

Metal Treatment - Sales for the third quarter of 2004 of \$44.6 million were 26% higher than the comparable period last year. The improvement was mainly due to organic growth of 21% driven by higher overall laser and shot peening revenues, and the contributions from the 2004 acquisitions. This segment achieved exceptional sales growth from our new laser peening technology as well as strong growth in our global shot peening businesses. Favorable foreign currency translation positively impacted sales by \$1.6 million in the third quarter of 2004 as compared to the prior year period.

Operating income increased 58% for the third quarter of 2004 as compared to the prior year period. Margins improved substantially in our shot peening businesses primarily as a result of higher sales volume, especially for our higher margin laser peening business. In addition, favorable sales mix, cost reduction programs, and favorable foreign currency translation also contributed to the higher operating income.

Mr. Benante concluded, "In 2004, we continue to demonstrate our ability to generate long-term shareholder value by growing our sales and earnings. Our strong performance in the first nine months of 2004 exemplifies our ability to execute our strategy and achieve our financial targets. We expect the fourth quarter of 2004 to be strong as it has been historically, and the full year results to be in line with our guidance. Our successful growth is the result of our diversification and ability to deliver the high performance, technologically advanced products for which Curtiss-Wright is world renowned. We continue to experience increasing demand for our new technologies, many of which are only at the beginning of their life cycle, which should continue to provide superior returns to our shareholders into the future."

The Company will host a conference call to discuss the third quarter 2004 results at 10:00 EDT Friday, October 29, 2004. A live webcast of the call can be heard on the Internet by visiting the company's website at <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		Nine Months Ended	
	September 30,		September 30,	
	2004	2003	2004	2003
Net sales	\$236,574	\$189,618	\$673,935	\$552,408
Cost of sales	154,725	132,601	444,469	379,677
Gross profit	81,849	57,017	229,466	172,731
Research & development expenses	8,443	5,417	24,409	16,494
Selling expenses	17,413	9,612	44,760	28,887
General and administrative expenses	30,033	20,740	83,071	65,320
Environmental remediation and administrative expenses, net	200	380	491	380

Pension expense (income), net	295	(527)	377	(1,580)
Operating income	25,465	21,395	76,358	63,230
Other income (expenses), net	185	(91)	(11)	182
Interest expense	(3,135)	(1,113)	(8,418)	(2,906)
Earnings before income taxes	22,515	20,191	67,929	60,506
Provision for income taxes	7,795	7,672	23,276	22,992
Net earnings	\$14,720	\$12,519	\$44,653	\$37,514
Basic earnings per share	\$0.69	\$0.61	\$2.11	\$1.82
Diluted earnings per share	\$0.68	\$0.60	\$2.08	\$1.80
Dividends per share	\$0.09	\$0.08	\$0.27	\$0.23
Weighted average shares outstanding:				
Basic	21,359	20,656	21,122	20,608
Diluted	21,715	20,936	21,476	20,856

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)

	Three Months		Nine Months	
	Change		Change	
	\$	%	\$	%
Net sales	\$46,956	24.76%	\$121,527	22.00%
Cost of sales	22,124	16.68%	64,792	17.07%
Gross profit	24,832	43.55%	56,735	32.85%
Research & development expenses	3,026	55.86%	7,915	47.99%
Selling expenses	7,801	81.16%	15,873	54.95%
General and administrative expenses	9,293	44.81%	17,751	27.18%
Environmental remediation and administrative expenses, net	(180)	N/A	111	N/A
Pension expense (income), net	822	-155.98%	1,957	-123.86%
Operating income	4,070	19.02%	13,128	20.76%
Other income (expenses), net	276	-303.30%	(193)	-106.04%
Interest expense	(2,022)	181.67%	(5,512)	189.68%
Earnings before income taxes	2,324	11.51%	7,423	12.27%
Provision for income taxes	123	1.61%	284	1.24%
Net earnings	\$2,201	17.58%	\$7,139	19.03%

Share and per share amounts have been restated to reflect the Corporation's 2-for-1 stock split on December 17, 2003.

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

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands)

	September	December	Change	
	30, 2004	31, 2003	\$	%
Assets				
Current Assets:				
Cash and cash equivalents	\$38,537	\$98,672	\$(60,135)	-60.9%
Receivables, net	184,559	143,362	41,197	28.7%
Inventories, net	116,837	97,880	18,957	19.4%
Deferred income taxes	24,307	23,630	677	2.9%
Other current assets	13,697	10,979	2,718	24.8%
Total current assets	377,937	374,523	3,414	0.9%
Property, plant, and equipment, net	251,086	238,139	12,947	5.4%
Prepaid pension costs	77,821	77,877	(56)	-0.1%
Goodwill, net	346,367	220,058	126,309	57.4%
Other intangible assets, net	110,063	48,268	61,795	128.0%
Other assets	18,846	14,800	4,046	27.3%
Total Assets	\$1,182,120	\$973,665	\$208,455	21.4%
Liabilities				
Current Liabilities:				
Short-term debt	\$957	\$997	\$(40)	-4.0%
Accounts payable	55,716	43,776	11,940	27.3%

Accrued expenses	47,441	44,938	2,503	5.6%
Income taxes payable	4,975	6,748	(1,773)	-26.3%
Other current liabilities	45,103	39,424	5,679	14.4%
Total current liabilities	154,192	135,883	18,309	13.5%
Long-term debt	348,226	224,151	124,075	55.4%
Deferred income taxes	20,618	21,798	(1,180)	-5.4%
Accrued pension & other postretirement benefit costs	79,427	75,633	3,794	5.0%
Long-term portion of environmental reserves	19,364	21,083	(1,719)	-8.2%
Other liabilities	21,183	16,236	4,947	30.5%
Total Liabilities	643,010	494,784	148,226	30.0%
Stockholders' Equity				
Common stock, \$1 par value	16,646	16,611	35	0.2%
Class B common stock, \$1 par value	8,765	8,765	0	0.0%
Capital surplus	52,911	52,998	(87)	-0.2%
Retained earnings	582,579	543,670	38,909	7.2%
Unearned portion of restricted stock	(39)	(55)	16	-29.1%
Accumulated other comprehensive income	23,037	22,634	403	1.8%
	683,899	644,623	39,276	6.1%
Less: cost of treasury stock	144,789	165,742	(20,953)	-12.6%
Total Stockholders' Equity	539,110	478,881	60,229	12.6%
Total Liabilities and Stockholders' Equity	\$1,182,120	\$973,665	\$208,455	21.4%

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

SEGMENT INFORMATION

(In thousands)

	Three Months Ended		
	September 30,		
	2004	2003	% Change
Sales:			
Flow Control	\$94,204	\$84,167	11.9%
Motion Control	97,727	70,157	39.3%
Metal Treatment	44,643	35,294	26.5%
Total Sales	\$236,574	\$189,618	24.8%
Operating Income:			
Flow Control	\$9,845	\$7,110	38.5%
Motion Control	10,399	9,537	9.0%
Metal Treatment	6,817	4,321	57.8%
Total Segments	27,061	20,968	29.1%
Pension (Expense)/Income	(295)	527	-156.0%
Corporate & Other	(1,301)	(100)	1201.0%
Total Operating Income	\$25,465	\$21,395	19.0%
Operating Margins:			
Flow Control	10.5%	8.4%	
Motion Control	10.6%	13.6%	
Metal Treatment	15.3%	12.2%	
Total Curtiss-Wright	10.8%	11.3%	

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

SEGMENT INFORMATION

(In thousands)

	Nine Months Ended		
	September 30,		
	2004	2003	% Change
Sales:			
Flow Control	\$269,804	\$263,125	2.5%
Motion Control	272,649	188,181	44.9%
Metal Treatment	131,482	101,102	30.0%

Total Sales	\$673,935	\$552,408	22.0%
Operating Income:			
Flow Control	\$29,122	\$30,176	-3.5%
Motion Control	28,700	18,734	53.2%
Metal Treatment	20,971	13,102	60.1%
Total Segments	78,793	62,012	27.1%
Pension (Expense)/Income	(377)	1,580	-123.9%
Corporate & Other	(2,058)	(362)	468.5%
Total Operating Income	\$76,358	\$63,230	20.8%
Operating Margins:			
Flow Control	10.8%	11.5%	
Motion Control	10.5%	10.0%	
Metal Treatment	15.9%	13.0%	
Total Curtiss-Wright	11.3%	11.4%	
About Curtiss-Wright			

Curtiss-Wright Corporation is a diversified company headquartered in Roseland, New Jersey. The Company designs, manufactures and overhauls products for motion control and flow control applications and provides a variety of metal treatment services. The firm employs approximately 5,500 people. More information on Curtiss-Wright can be found at <http://www.curtisswright.com>.

Forward-looking statements in this release 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 competitive marketplace and/or customer requirements; a change in government spending; an inability to perform customer contracts at anticipated cost levels; and other factors that generally affect the business of aerospace, defense contracting, electronics, marine, and industrial companies. Please refer to the Company's current SEC filings under the Securities and Exchange Act of 1934, as amended, for further information.

This press release and additional information is available at <http://www.curtisswright.com>.

SOURCE Curtiss-Wright Corporation

CONTACT: Alexandra M. Deignan of Curtiss-Wright Corporation,
+1-973-597-4734, or adeignan@curtisswright.com
/Web site: <http://www.curtisswright.com>