



Investor Day – December 11, 2013



# Reshaping for the Future

**COMMERCIAL /  
INDUSTRIAL**

**DEFENSE**

**ENERGY**

**CURTISS  
WRIGHT**

# Safe Harbor Statement

Please note that the information provided in this presentation is accurate as of the date of the original presentation. The presentation will remain posted on this web site from one to twelve months following the initial presentation, but content will not be updated to reflect new information that may become available after the original presentation posting. The presentation contains forward-looking statements including, among other things, management's estimates of future performance, revenue and earnings, our management's growth objectives and our management's ability to produce consistent operating improvements. These forward-looking statements are based on expectations as of the time the statements were made only, and are subject to a number of risks and uncertainties which could cause us to fail to achieve our then-current financial projections and other expectations. We undertake no duty to update this information. More information about potential factors that could affect our business and financial results is included in our filings with the Securities and Exchange Commission, including our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, including, among other sections, under the captions, "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is on file with the SEC and available at the SEC's website at [www.sec.gov](http://www.sec.gov).





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# Strategic Overview and Future Vision

Dave Adams  
President and CEO

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INDUSTRIAL**

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**ENERGY**

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# Agenda

## ***OVERVIEW AND VISION***

Dave Adams

## ***CREATING SHAREHOLDER VALUE***

Financial Update and 2014 Guidance  
Operating Margin Improvement

Glenn Tynan  
Tom Quinly

## ***BUSINESS OVERVIEW***

Commercial Aerospace  
Industrial  
Surface Technologies  
Defense  
Oil & Gas  
Power Generation

Graham Macdonald  
Kevin Rayment  
Larry Peach  
Lynn Bamford  
Ron Stockwell  
Greg Hempfling  
Jim Leachman



# An Inflection Point...



# Moving Forward – Creating Value

## FOCUS: Improving Shareholder Value

**Organic Growth**



**Market Strategies  
(VP / GMs)**

**Margin Improvement**



**Operational  
Initiatives (COO)**

**Capital Deployment**



**Financial  
Discipline (CFO)**

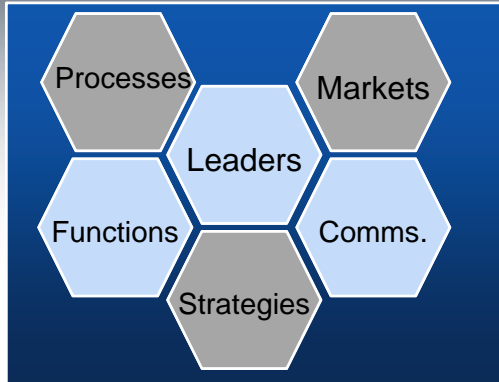
**Working Capital / CF**



**Efficient  
Execution**

**New Alignment Will Accelerate Value Creation**

# Our Vision is **One Curtiss-Wright**



**INTEGRATED**



**MARKET-FACING**



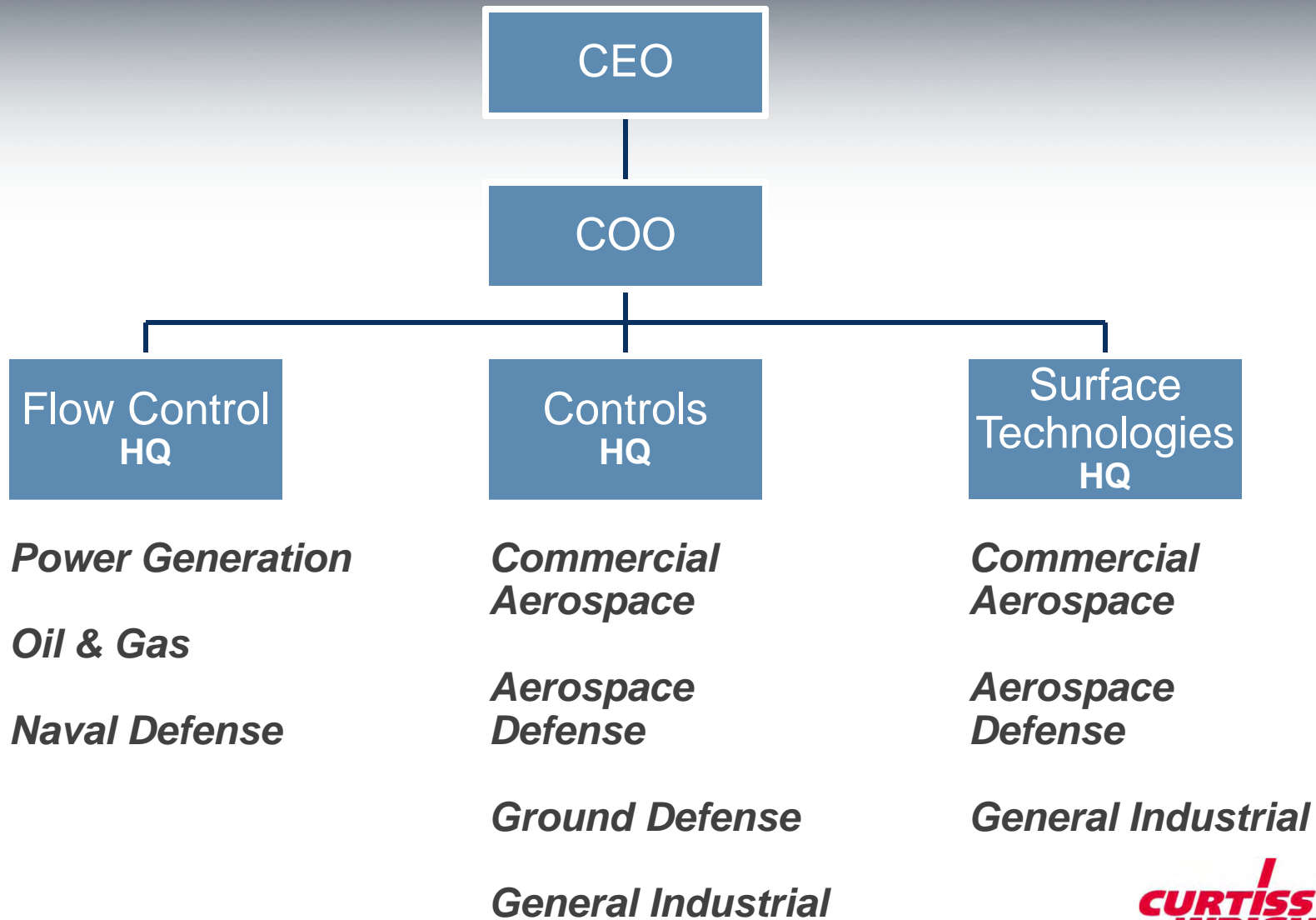
**GLOBAL &  
DIVERSIFIED**

- 5 or fewer major segments with critical mass
- Top quartile performer

**A Unified Global Diversified Industrial Company**

# Recent Organization

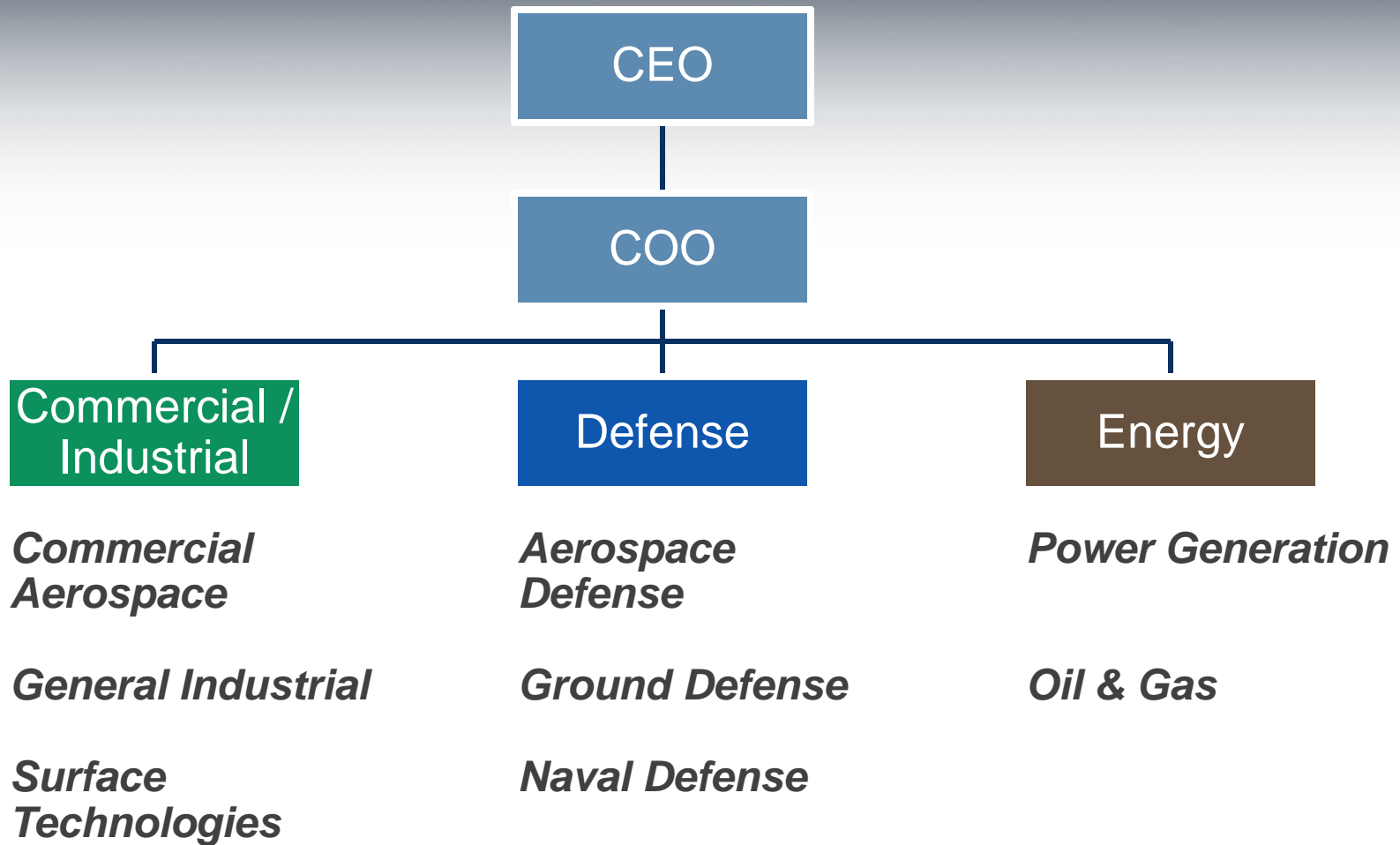
*Three Segments Organized by Technology, Serving Diverse Markets*





# Today's Organization

*Three Segments Aligned by Market*



# Experienced Executive Team

**COO**  
Tom Quinly

- 20+ Years industry exp.
- 9 Years at CW
- Former President:  
CW Controls

**CEO**  
Dave Adams

- 24+ Years industry exp.
- 14 Years at CW
- Former President:  
CW Controls, Flow Control,  
Surface Technologies

**CFO**  
Glenn Tynan

- 20+ Years industry exp.
- 14 Years at CW

Business Leader	Years in Industry	Years at CW	Focus
Kevin Rayment	15	10	Industrial
Graham Macdonald	20	8	Comm. Aero.
Larry Peach	21	21	Surface Tech.
Greg Hempfling	31	9	Defense / Nuclear
Lynn Bamford	25	15	Defense
Ron Stockwell	30	3	Oil & Gas
Jim Leachman	31	21	Nuclear

# Three Powerful Segments

## COMMERCIAL / INDUSTRIAL



Component / Subsystems offering provides strong margins without high overhead requirements

Moderate growth



Providing unique value through vehicle control systems; leveraging trends in emissions and efficiency

Strong growth

## DEFENSE



High value IP content in Electronics and Nuclear – leverages pockets of growth in an overall declining market

Low growth

## ENERGY



Opportunities in Upstream market for specialty products and applications

Moderate growth



Uniquely positioned as a qualified component supplier to ensure life extension and regulatory compliance

Moderate growth

# Our Alignment

**PRIORITIZES THE CUSTOMER**

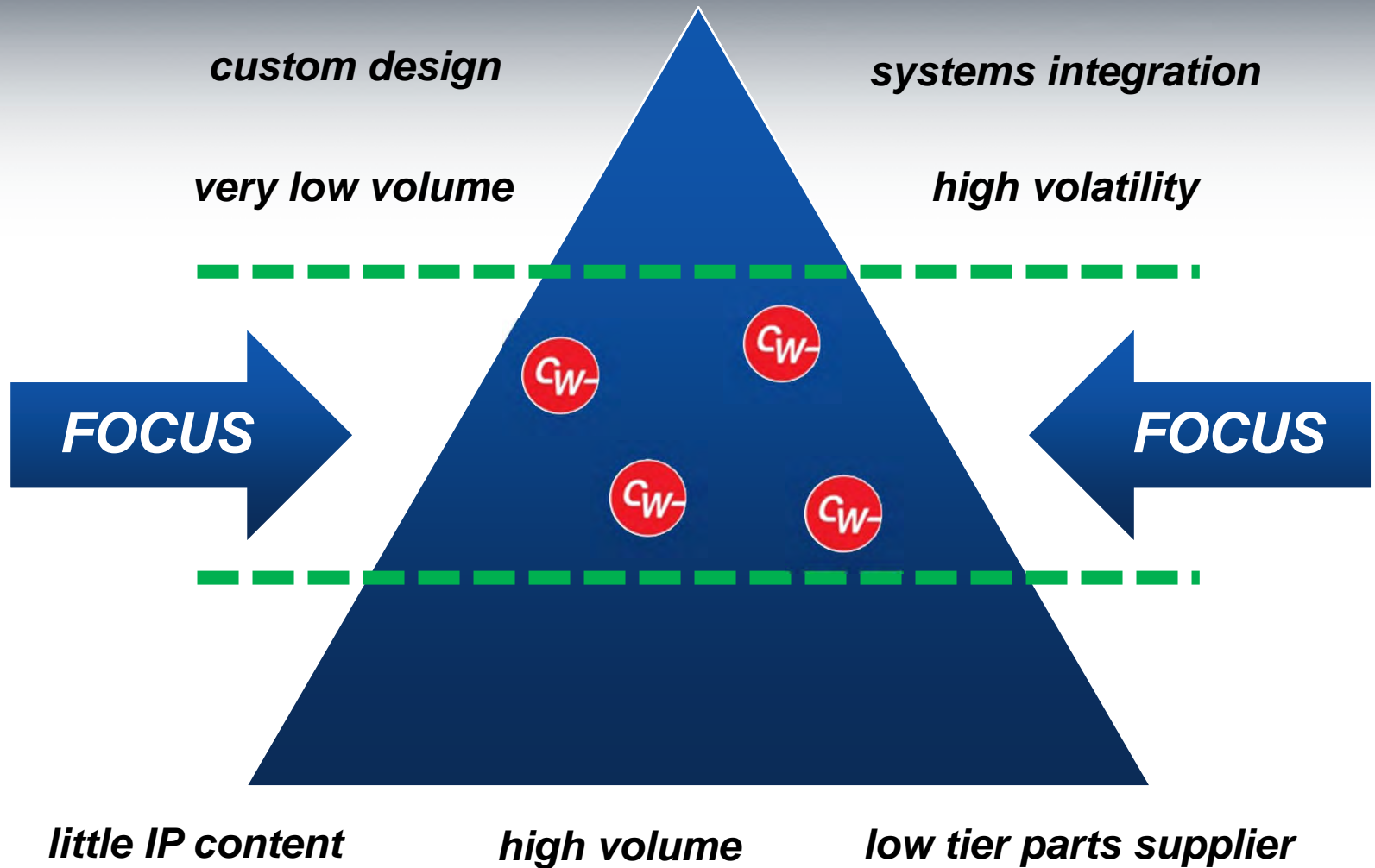
**EMPHASIZES MARKET LEADERSHIP**

**LEVERAGES OPERATIONAL EXPERTISE / SYNERGIES**

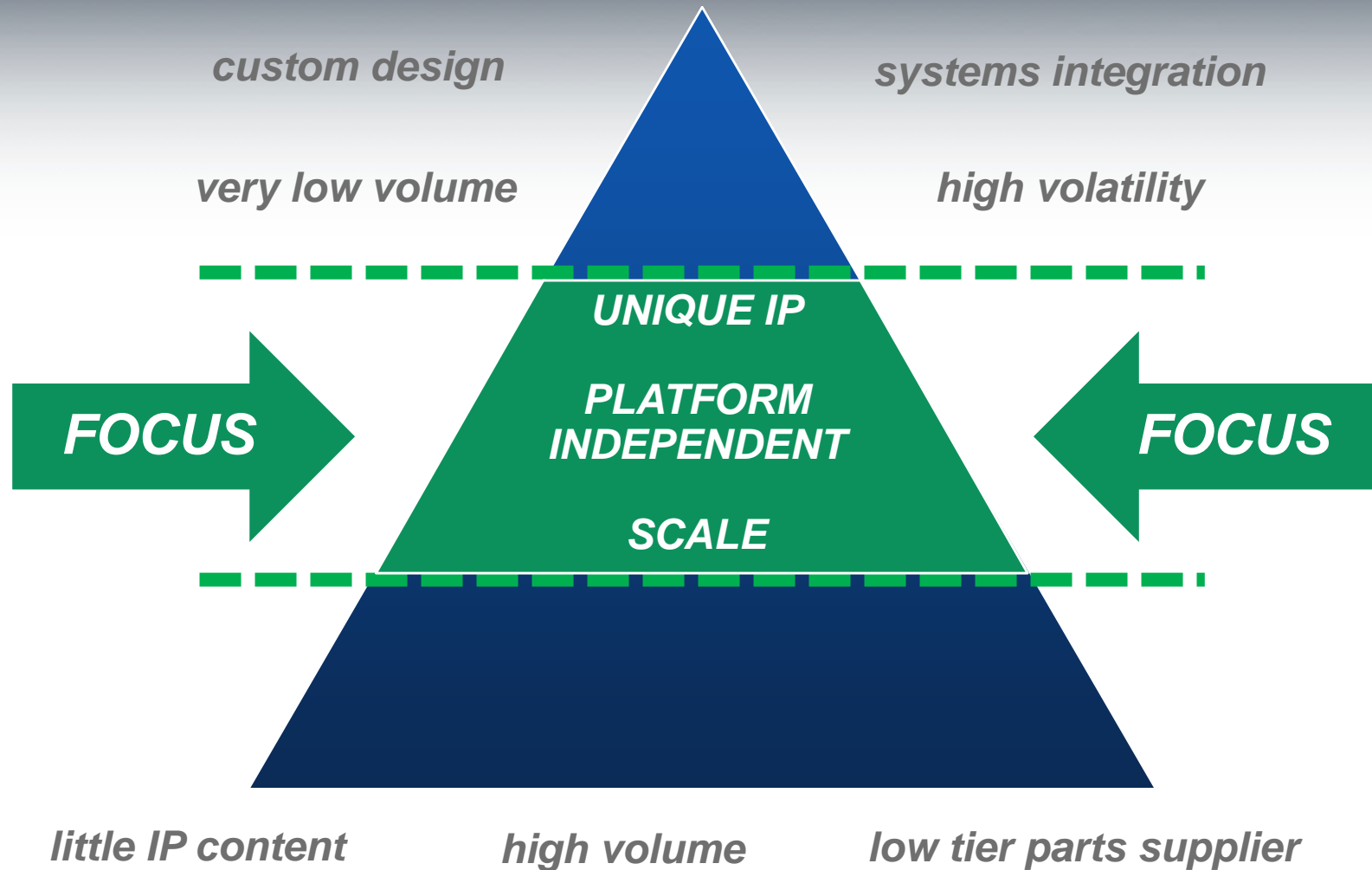
**STREAMLINES P&Ls and REDUCES DUPLICATION**

***One Curtiss-Wright***

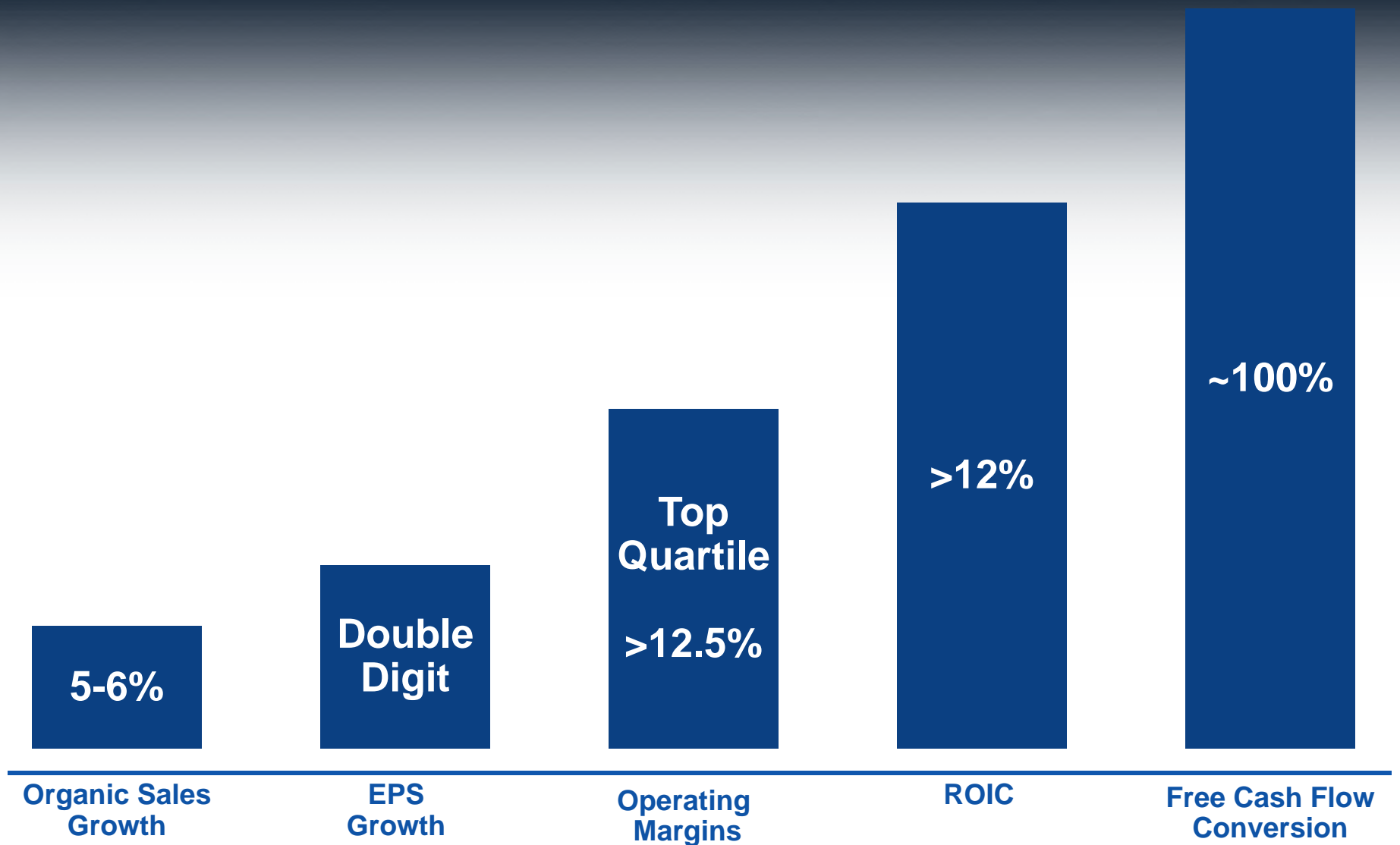
# Choosing Where We Compete



# Achieving Profitable Growth



# Clear Financial Objectives





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# Financial Highlights

Glenn E. Tynan  
VP & CFO

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# Finance Transformation

**UNIVERSAL AND TRANSPARENT METRICS**

**RIGOROUS WORKING CAPITAL MANAGEMENT**

**COMPREHENSIVE CAPITAL ALLOCATION STRATEGY**

**ONE CURTISS-WRIGHT  
THREE MARKET-FACING SEGMENTS**

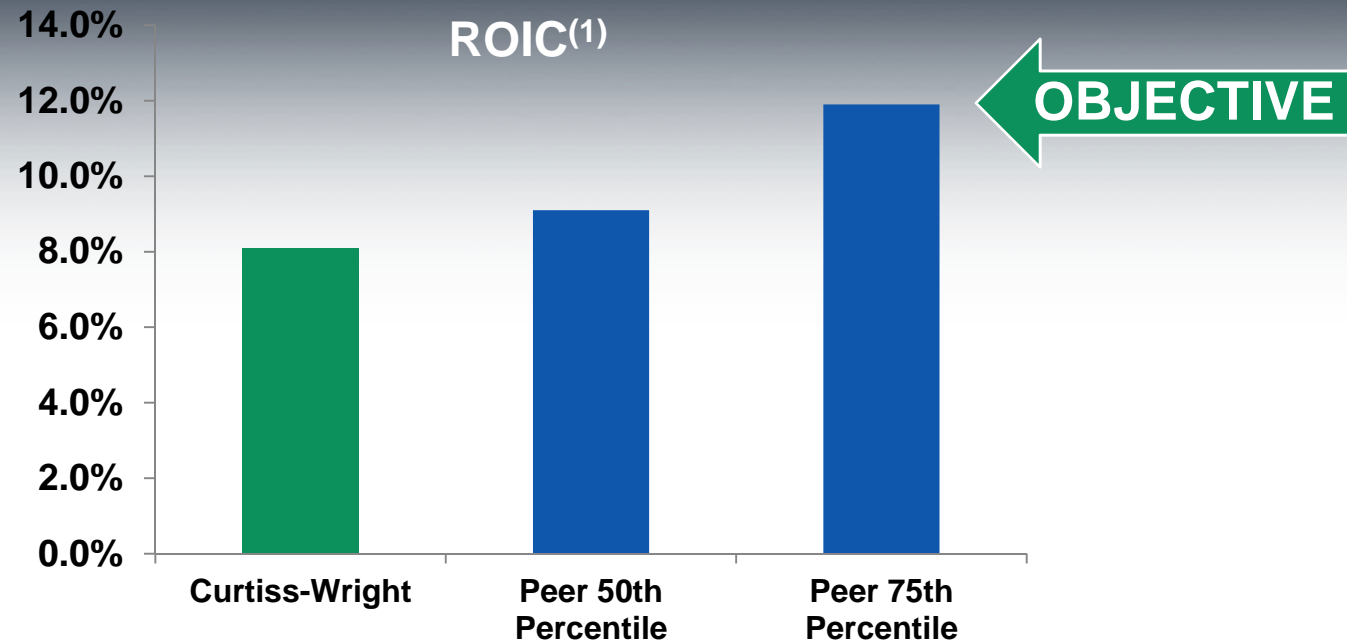


# Return on Invested Capital

$$\text{ROIC} = \text{NOPAT} / (\text{Avg. Debt} + \text{Equity})$$

- **Adopting ROIC as standard metric for:**
  - **Capital Investments**
  - **Acquisitions**
  - **Compensation**
- **Capital to be allocated to the highest return investments and/or businesses**

# Return on Invested Capital



- Currently below median versus peer group<sup>(2)</sup>
- Target: 12% ROIC
- Goal: Top Quartile

(1) ROIC = NOPAT / (Avg. Debt + Equity)

(2) Peer group per CW proxy – CW 2013F; Peers latest SEC filing



# Capital Allocation Strategy

**Capital Expenditures**

**Acquisitions**

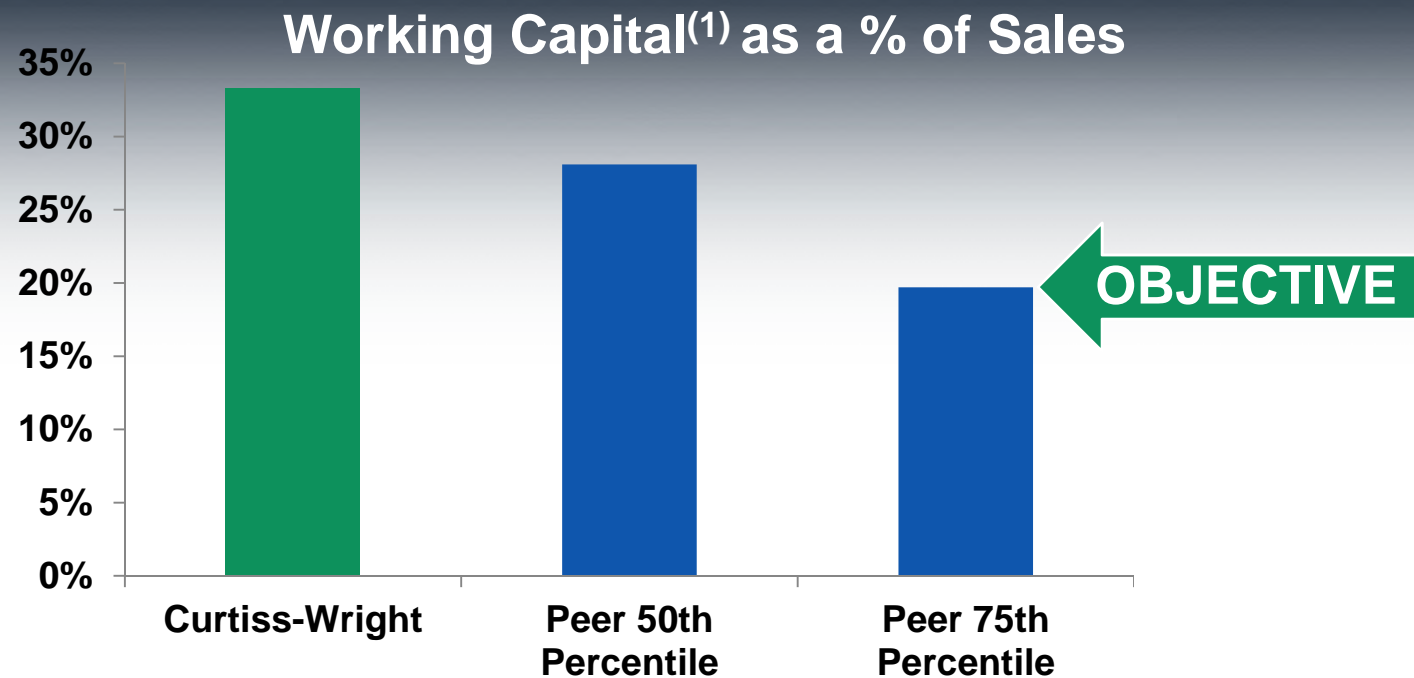
**Dividends**

**Share Repurchase**

- **The same metric (ROIC) and criteria are applied to all investment opportunities**
- **Leverage Metrics:**
  - **Debt / Cap 35% – 50%**
  - **Debt / EBITDA 2x – 4x**



# Cash Flow

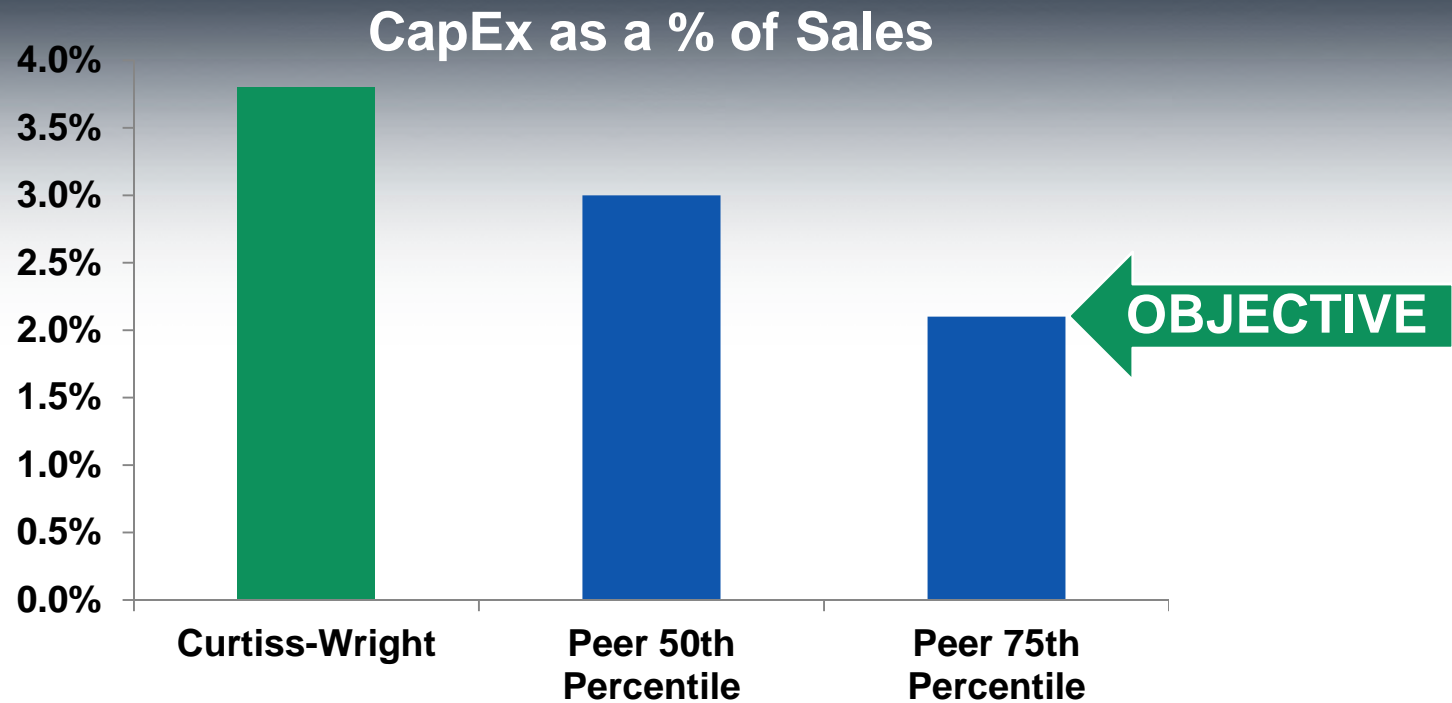


- Currently below median versus peer group<sup>(2)</sup>
- Cash flow key element of S/T compensation plan
- Goal: Top Quartile
- Focus: Reduce Working Capital % at the BU level

(1) Working Capital = Inventory + A/R - A/P

(2) Peer group per CW proxy – CW 2013F; Peers latest SEC filing

# Capital Expenditures



- Currently below median versus peer group<sup>(1)</sup>
- Goal: Top Quartile
- Invest in high return projects and/or businesses
- Accountability

(1) Peer group per CW proxy – CW 2013F; Peers latest SEC filing

## A New Approach to M&A

- **Corporate-led process drives consistency**
- **New ROIC-based valuation analysis**
- **Capital Allocation decisions temper current spend**
- **Ample quality opportunities**

**More Selective Approach**

# Dividends and Share Repurchase

- **Dividends**
  - **Steady, periodic increases**
- **Share Buybacks**
  - **Shift of balance enables share buybacks to become a more strategic element of our capital allocation strategy**

**Consistently Working to Maximize Value**





# Financial Guidance

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INDUSTRIAL**

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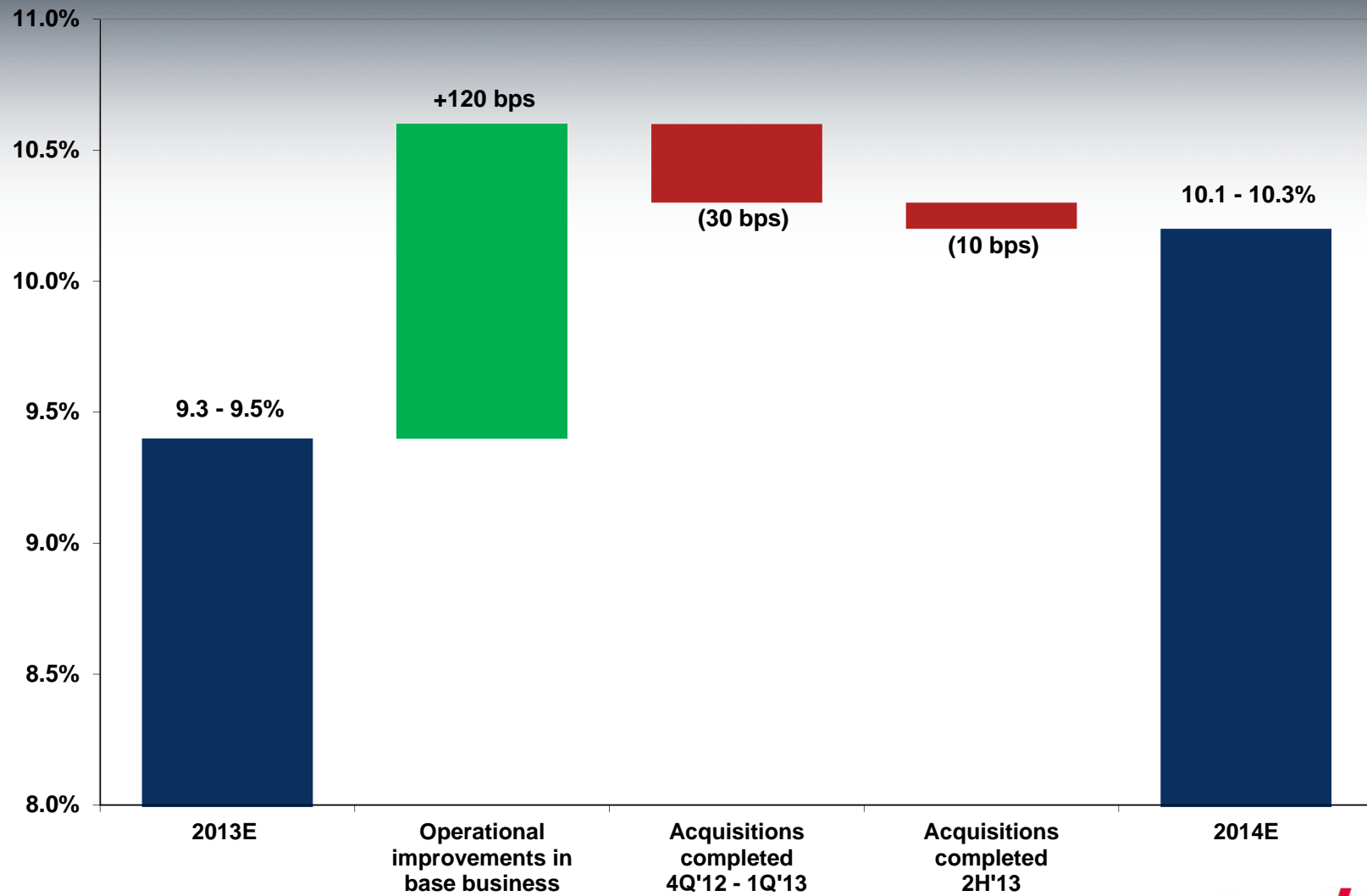
# 2014 Guidance – Current Segment Structure

	FY2013E (as of Oct. 30)	FY2014E (as of Dec. 11)	% Growth
<b>Total Sales</b>	<b>\$2,480 - 2,520M</b>	<b>\$2,650 - 2,700M</b>	<b>6 - 8%</b>
Flow Control	\$1,300 - 1,320M	\$1,370 - 1,390M	5 - 6%
Controls	\$865 - 875M	\$950 - 970M	9 - 11%
Surface Technologies	\$315 - 325M	\$330 - 340M	3 - 6%
<b>Total Operating Income</b>	<b>\$232 - 240M</b>	<b>\$267 - 278M</b>	<b>13 - 18%</b>
<b>CW Margin</b>	<b>9.3% - 9.5%</b>	<b>10.1% - 10.3%</b>	<b>~80 bps</b>
Flow Control Margin	\$116 - 119M 8.9% - 9.0%	\$130 - 135M 9.5% - 9.7%	11 - 15% ~60 bps
Controls Margin	\$103 - 106M 11.9% - 12.1%	\$120 - 123M 12.6% - 12.7%	15 - 18% ~70 bps
Surface Technologies Margin	\$53 - 55M 16.8% - 16.9%	\$58 - 60M 17.4% - 17.5%	7 - 10% ~70 bps
Corporate and Other	~\$40M	\$40 - 41M	Flat

Guidance as of December 11, 2013. Full year amounts may not add due to rounding.



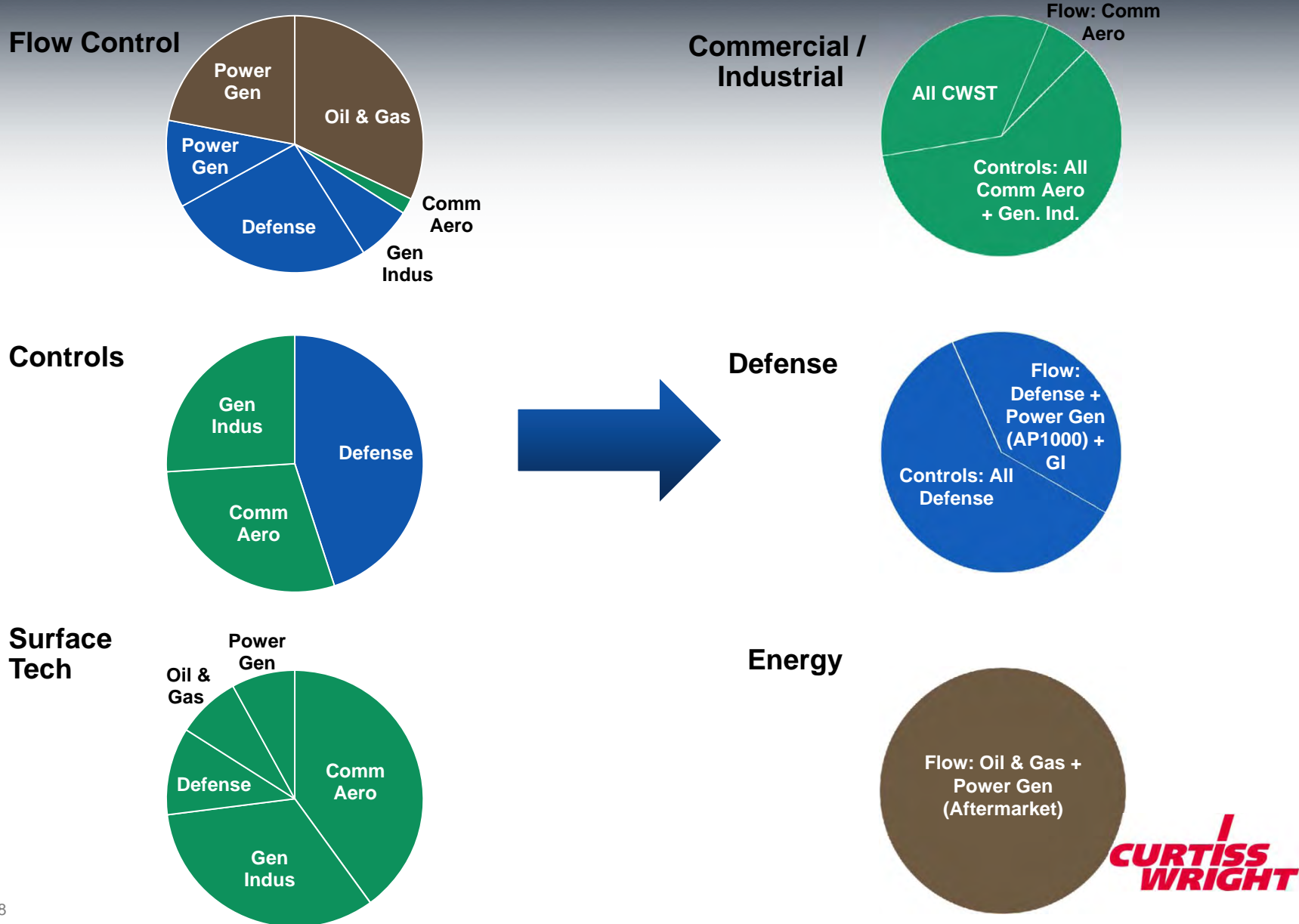
# Operating Margin Expansion 2014



Guidance as of December 11, 2013.



# 2014 Guidance – Transition to New Segment Structure



# 2014 Guidance – New Segment Structure

	<b>FY2014E (as of Dec. 11)</b>	<b>% Growth</b>
<b>Total Sales</b>	<b>\$2,650 - 2,700M</b>	<b>6 - 8%</b>
Commercial / Industrial	\$1,040 - 1,060M	
Defense	\$890 - 910M	
Energy	\$720 - 730M	
<b>Total Operating Income</b>	<b>\$267 - 278M</b>	<b>13 - 18%</b>
<b>CW Margin</b>	<b>10.1% - 10.3%</b>	
Commercial / Industrial Margin	\$138 - 142M 13.3% - 13.4%	
Defense Margin	\$118 - 122M 13.3% - 13.4%	
Energy Margin	\$52 - 54M 7.2% - 7.4%	
Corporate and Other	\$40 - 41M	
<b>Diluted EPS</b>	<b>\$3.20 - 3.35</b>	<b>14 - 20%</b>

Guidance as of December 11, 2013. Full year amounts may not add due to rounding.

# 2014 Guidance – Sales Growth by End Market

	FY2014E (as of Dec. 11)	% of Total Sales
Aero Defense	8 - 12%	11%
Ground Defense	(7 - 11%)	3%
Naval Defense	(2) - 2%	14%
<b>Total Defense</b> Including Other Defense	<b>1 - 5%</b>	<b>29%</b>
Commercial Aero	6 - 10%	16%
Oil & Gas	11 - 15%	19%
Power Generation	2 - 6%	18%
General Industrial	8 - 12%	18%
<b>Total Commercial</b>	<b>7 - 11%</b>	<b>71%</b>
<b>Total Curtiss-Wright</b>	<b>6 - 8%</b>	

Guidance as of December 11, 2013.



## 2014 Guidance – All Other

	FY2013E (as of Oct. 30)	FY2014E (as of Dec. 11)
Post-Retirement Expense	\$33 - 34M	\$36 - 37M
Interest Expense	\$39 - 40M	\$39 - 40M
<b>Diluted EPS</b>	<b>\$2.75 - 2.85</b>	<b>\$3.20 - 3.35</b>
Diluted Shares Outstanding	47.6M	48.4M <sup>(1)</sup>
Effective Tax Rate	32.0%	32.0%
Free Cash Flow	\$110 - 120M	\$140 - 150M
Free Cash Flow Conversion	84 - 89%	90 - 93%
Depreciation & Amortization	\$125 - 130M	\$130 - 140M
Capital Expenditures	\$80 - 85M	\$80 - 90M

(1) Assumes no share repurchases in 2014



# Sound Financial Strategies







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# Operating Margin Improvement

Tom Quinly  
Chief Operating Officer

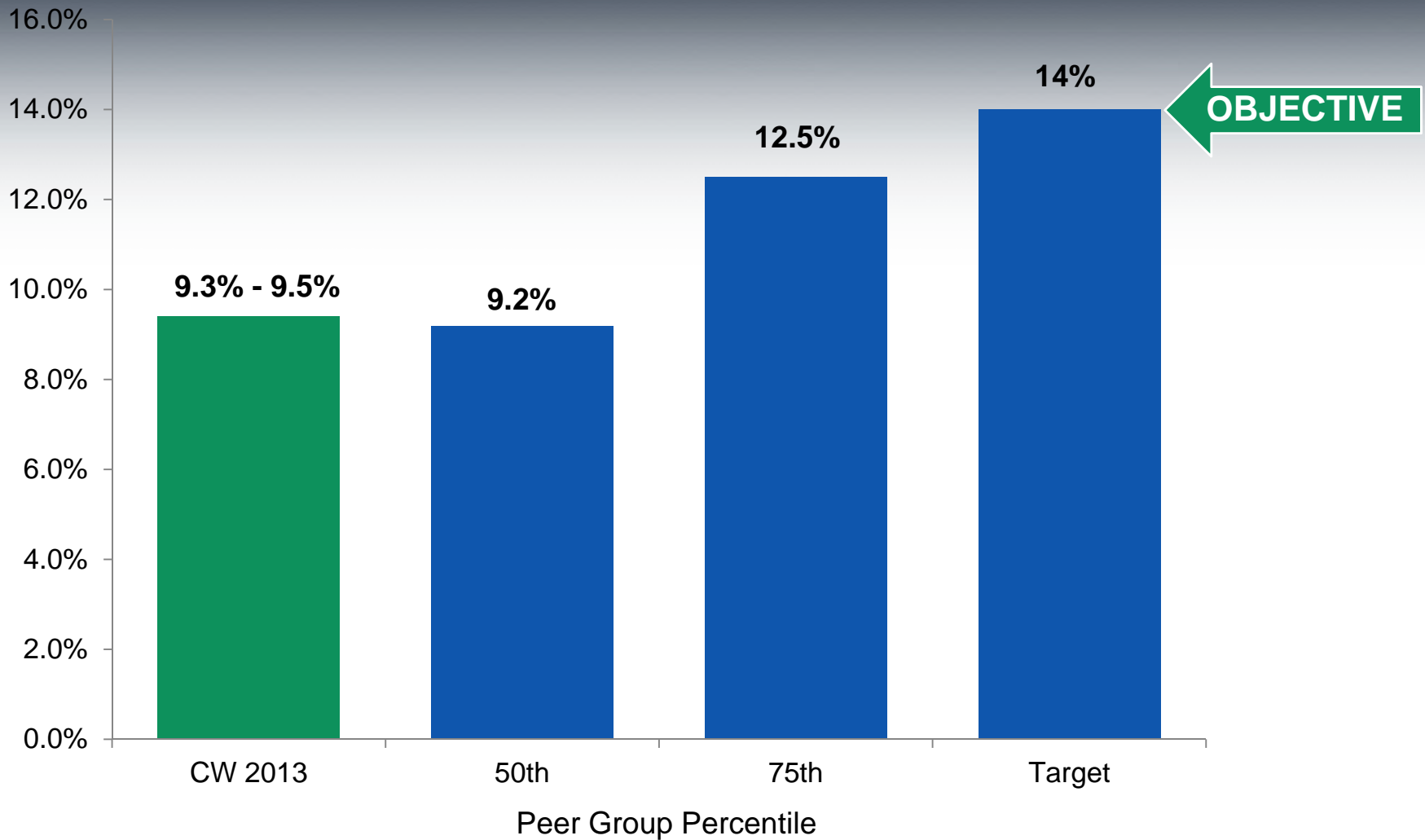
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# Current State – Operating Margin Benchmarking (1)



(1) Based upon peer group per CW proxy - 3 year avg. 2010-2012



**Margin Improvement**

**“BIG 10”  
IMPERATIVES**

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# Clarity of Purpose

1



# Accountability

2

- Total Alignment
- Total Commitment
- No Excuses
- Compensation Alignment

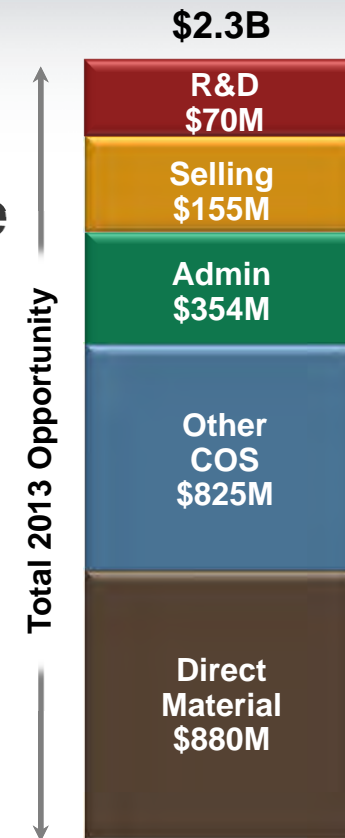


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# Operational Excellence

3

- Continue Lean Journey
- Drive Engineering Excellence
- Continuous Improvement Culture
- All disciplines
- Targeted Savings by Site/Team

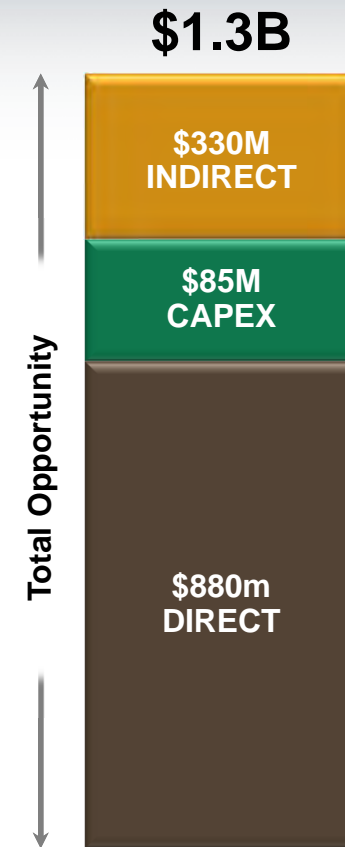


Continuing the Journey

# Supply Chain Initiatives

4

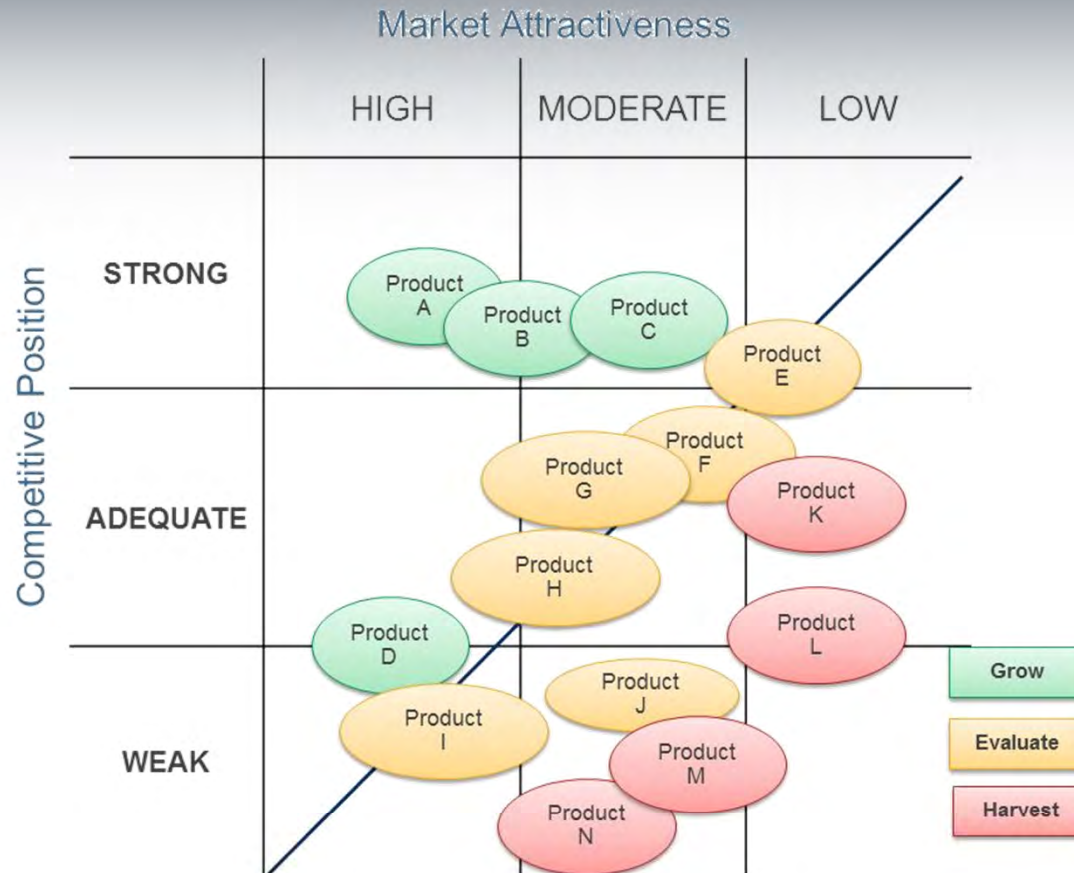
- Leverage Spend Council
- LCE Supplier Development
- Indirect Spend Target
- Focused Commodity Teams
- Clear Accountability



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# Portfolio Rationalization

5



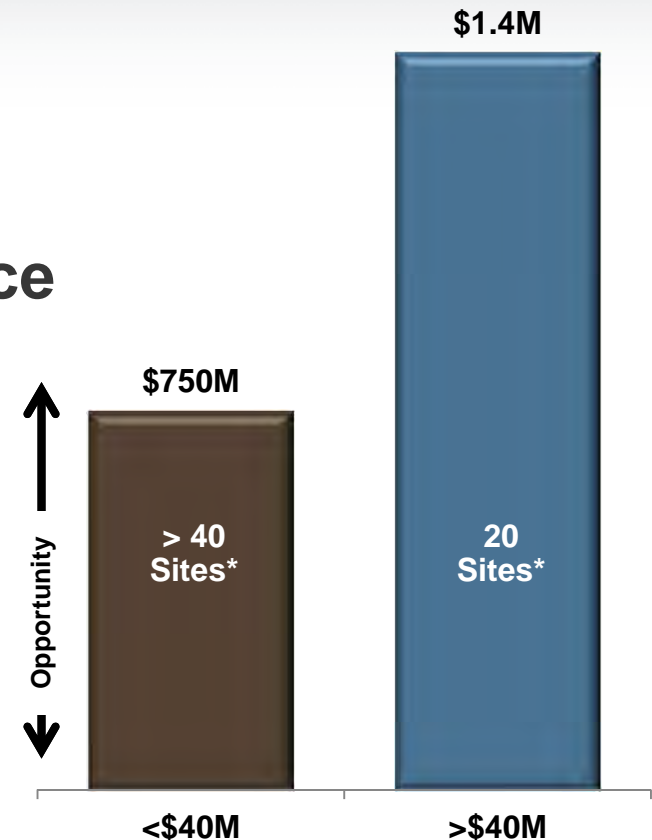
“Addition by Subtraction”



# Consolidation Programs

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- Market facing – delayering
- Numerous Opportunities
- Improving transparency
- Leverage Centers of Excellence
- Continuous Process:
  - Strategy Evolution
  - Acquisition Integration



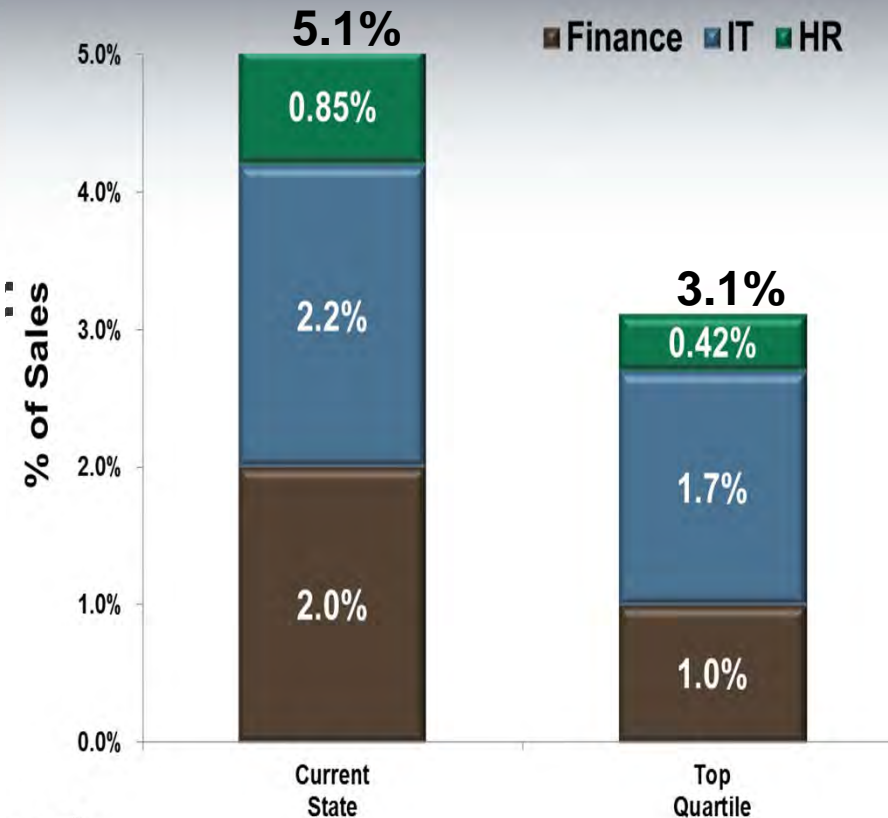
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41 \*Excludes Surface Technologies sales and sites

# Shared Services

7

- Benchmarking complete
- Finance – well down the path:
  - Contributing
- IT - well down the path:
  - FY14 contributions
- HR – early days
  - Phase II launch next year
  - Additional plans being developed
- Driving top quartile performance

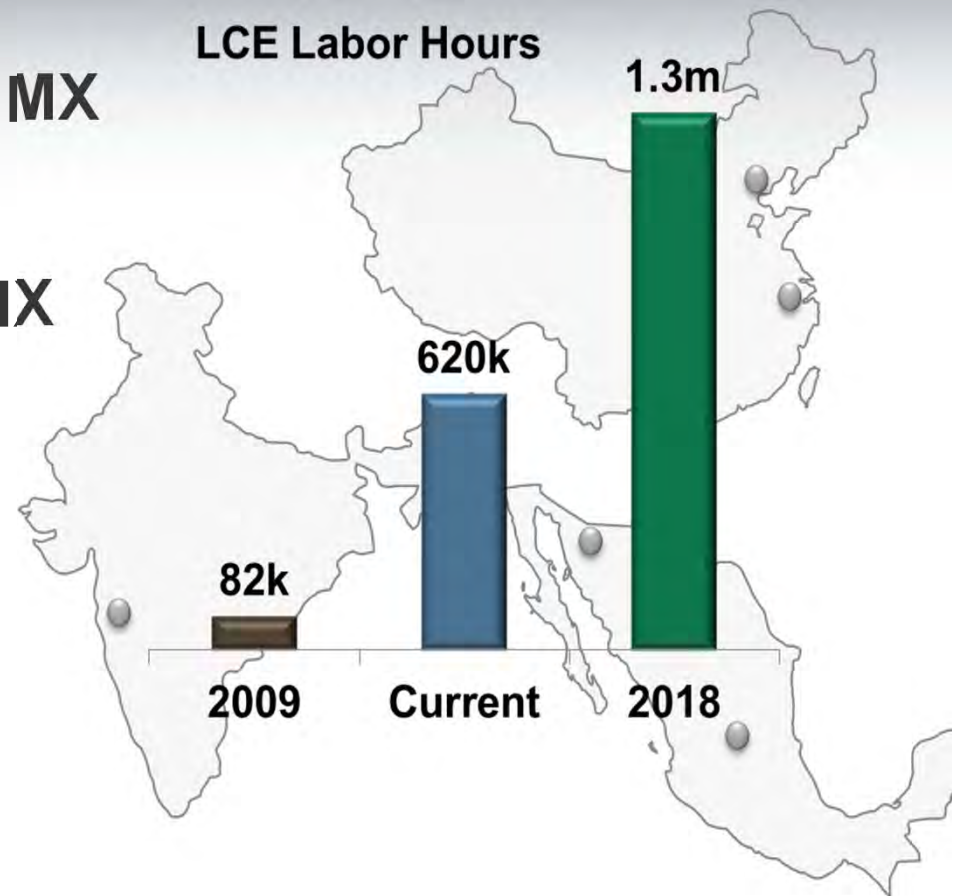


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# Low Cost Economy COE Development

8

- **Suzhou, China + Nogales, MX**
  - Significant Contributions
- **Pune, India + Querétaro, MX**
  - Still Maturing
- **Supply Chain Localization**
  - Key Driver
- **Teams/Processes in place**
- **Aggressive Fy14 plan**



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# Segment Focus Opportunities

9

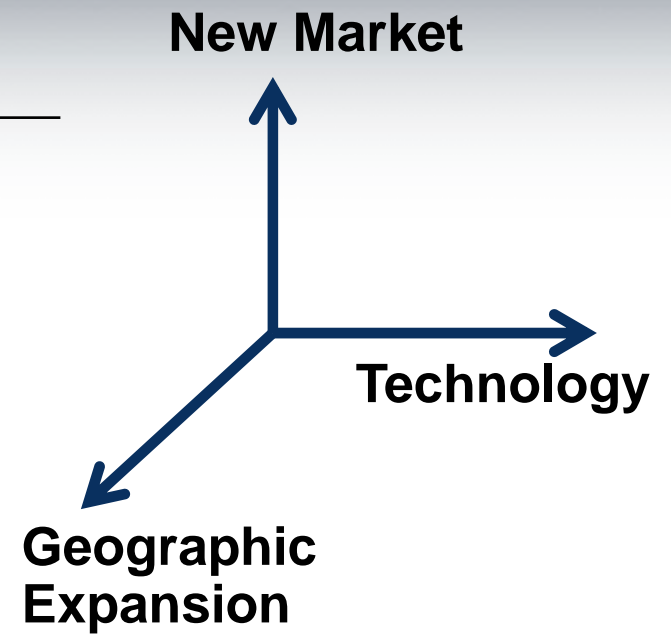
Segment	Focus Area	
<b>Defense</b>	<ul style="list-style-type: none"> <li>- Consolidation Programs</li> <li>- Underperforming Product Areas</li> <li>- Program Investments</li> <li>- Portfolio Expansion Investments</li> </ul>	<p style="text-align: center;"><b>\$30-40M</b></p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">FY13 Opportunity</p>
<b>Commercial Industrial</b>	<ul style="list-style-type: none"> <li>- Greenfield Operations</li> <li>- LCE Capability Development</li> <li>- Portfolio Expansion Investments</li> <li>- Acquisition Improvements</li> </ul>	
<b>Energy</b>	<ul style="list-style-type: none"> <li>- Downstream O&amp;G</li> <li>- Acquisition Improvements</li> <li>- Plant Improvement &amp; Expansions</li> <li>- Services Business</li> </ul>	



# Strategic Growth Initiatives

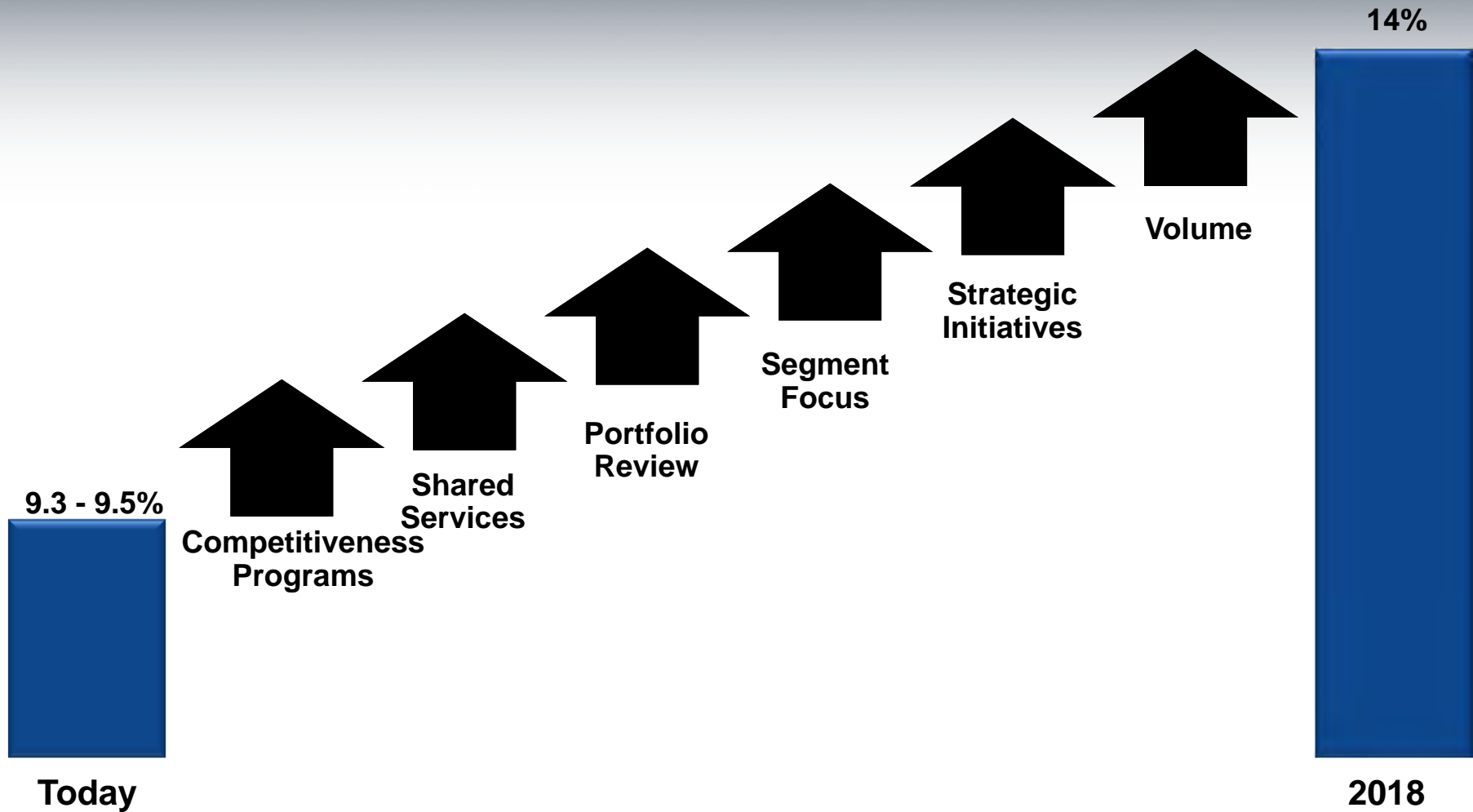
10

Dimension	Focus Area
<b>Technology</b>	<ul style="list-style-type: none"><li>- Protect the Core</li><li>- Technology Leadership</li><li>- Attack Discontinuities</li><li>- Portfolio Expansion</li></ul>
<b>Market</b>	<ul style="list-style-type: none"><li>- Leverage core capabilities</li><li>- Attack niche new segments</li><li>- Select Bolt-On Acquisitions</li></ul>
<b>Geographic Expansion</b>	<ul style="list-style-type: none"><li>- Management Training</li><li>- Operations Best Practices</li><li>- Acquisition Talent Parachute</li></ul>



**Making the Right Investments**

# Strategic Margin Drivers



**Achieving 14% Over the Planning Period**

# Key Takeaways

- Significant opportunities
- Plan in place
- Management alignment and commitment
- Talented team to execute
- No excuses



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# Q&A





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# Commercial Aerospace

Graham Macdonald  
SVP/GM, Sensors & Controls

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# 110 Years of History – Foundation for the Future



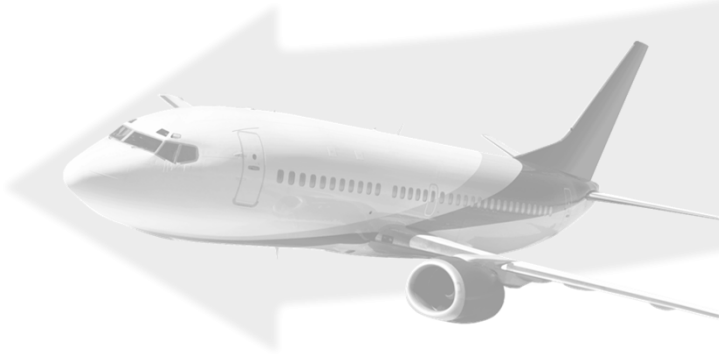
*Innovation*

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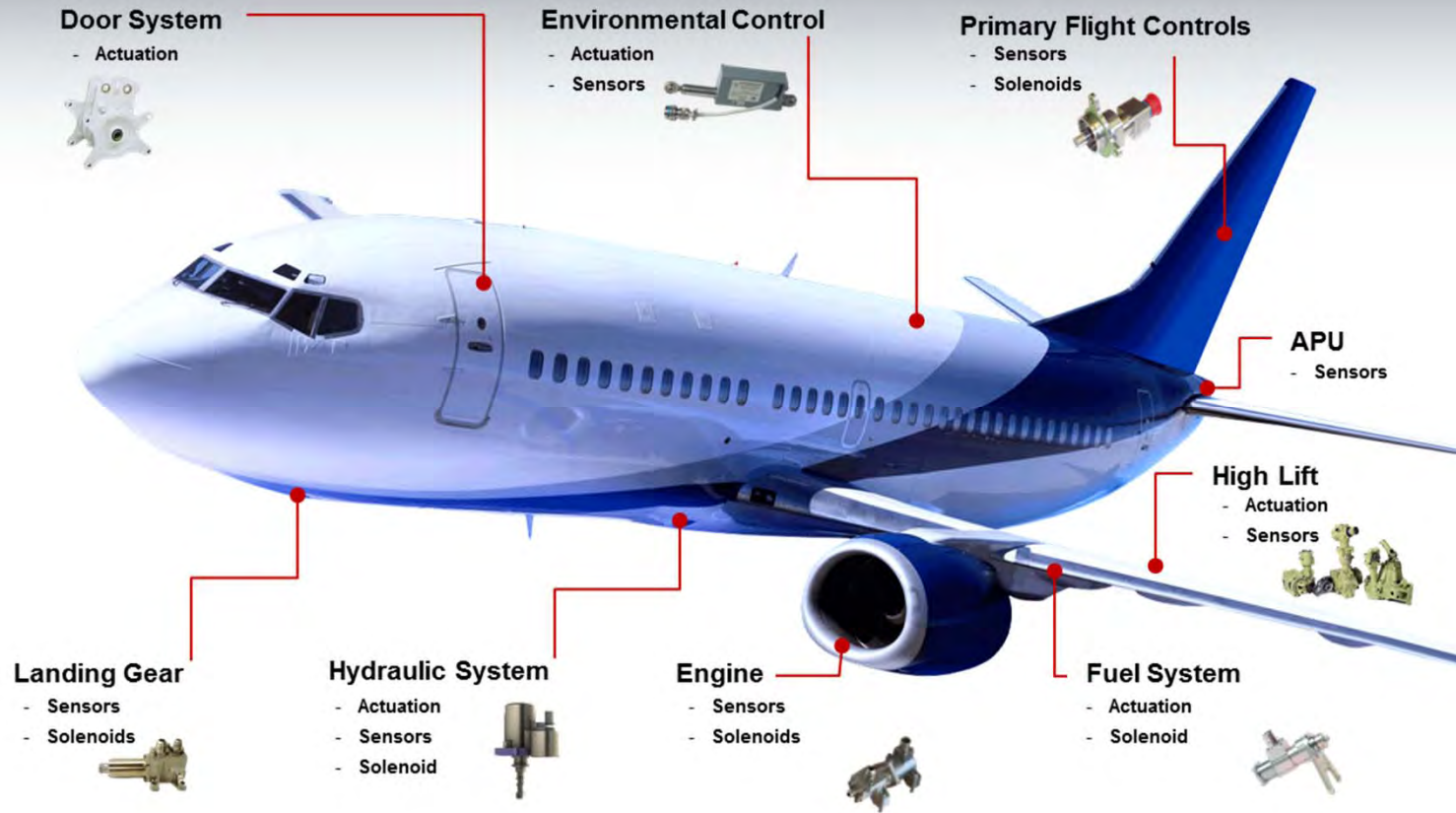
*Precision*



*Reliability*

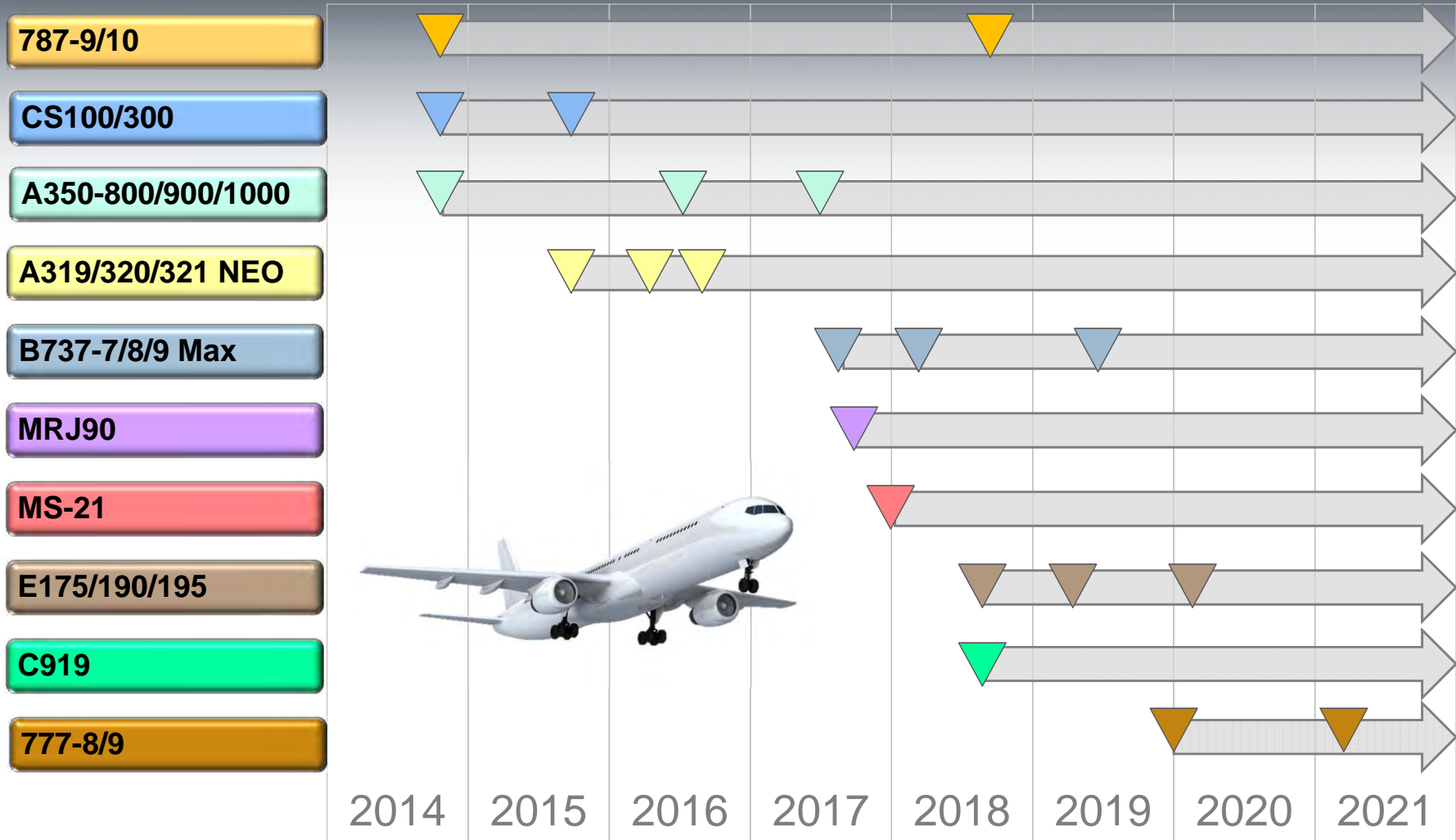


# Commercial Aerospace – Our Capability



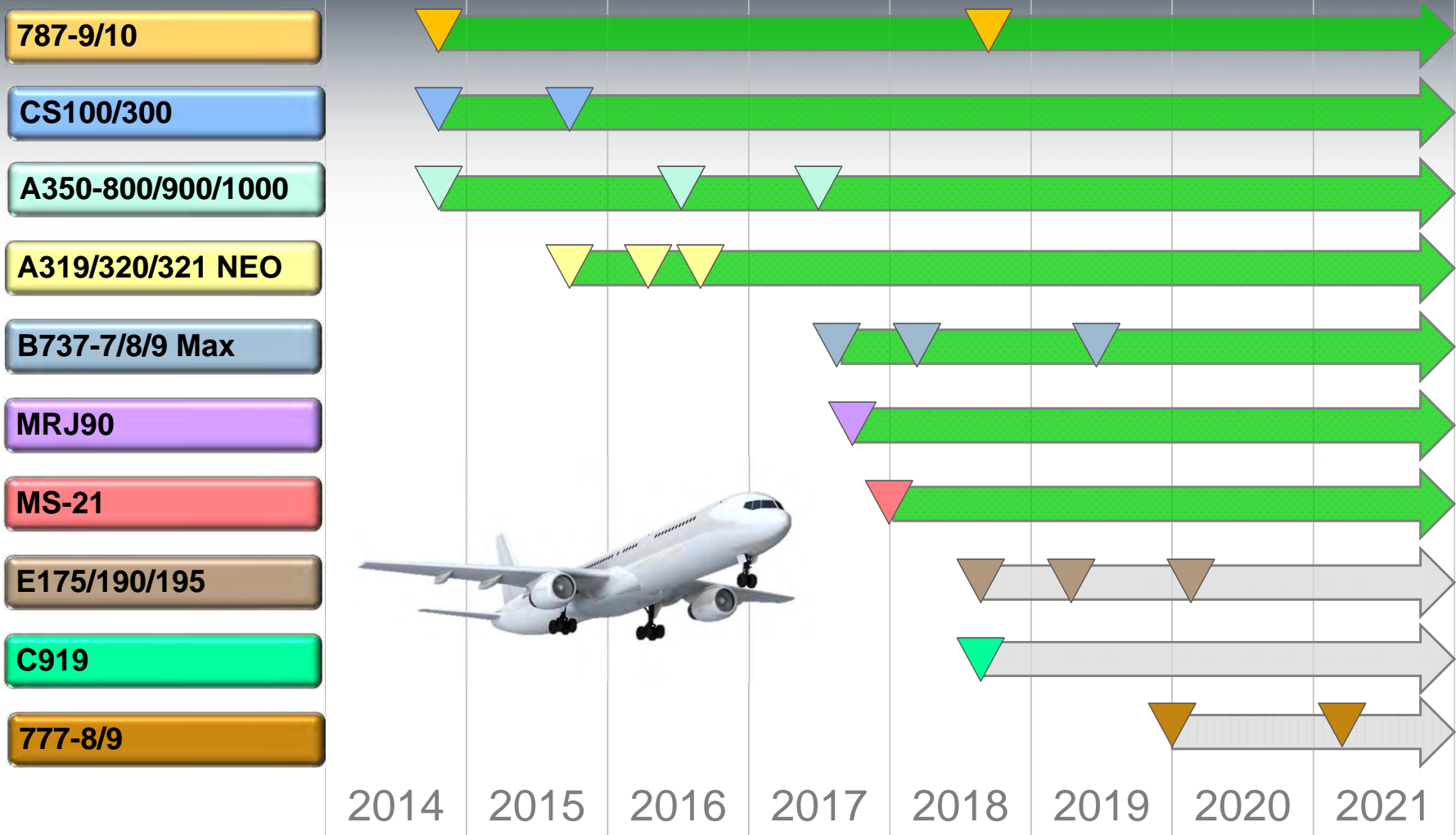
**Nose to Tail – Covering the Airplane**

# Commercial Aerospace – Our Market



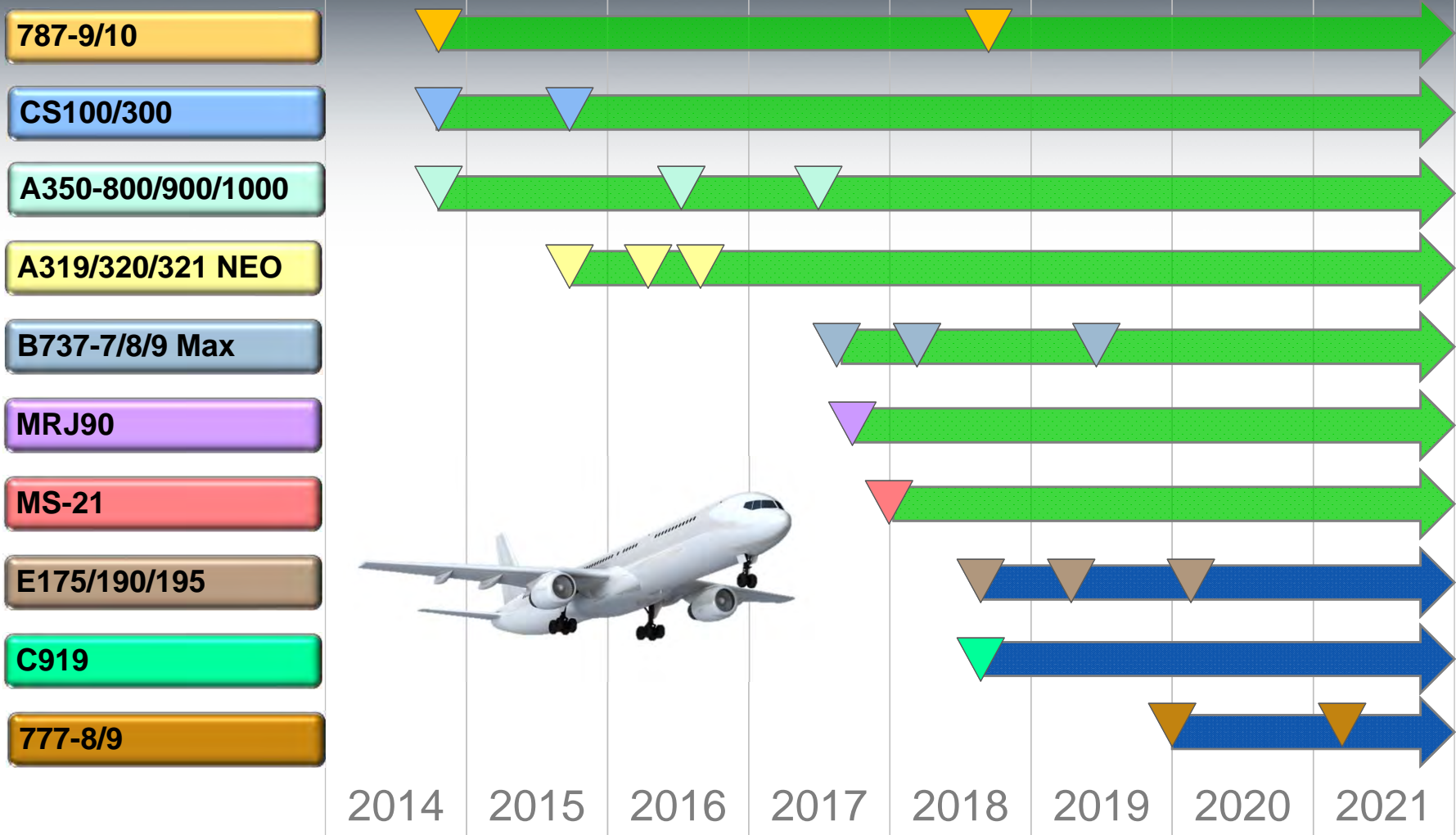
**8 Years – 10 Platforms – 21 Derivatives**

# Commercial Aerospace – Our Market



**CW Key Platform Wins - >\$2.2B in LTV**

# Commercial Aerospace – Our Market



**CW Key Platform Pursuits - >\$300M in LTV**

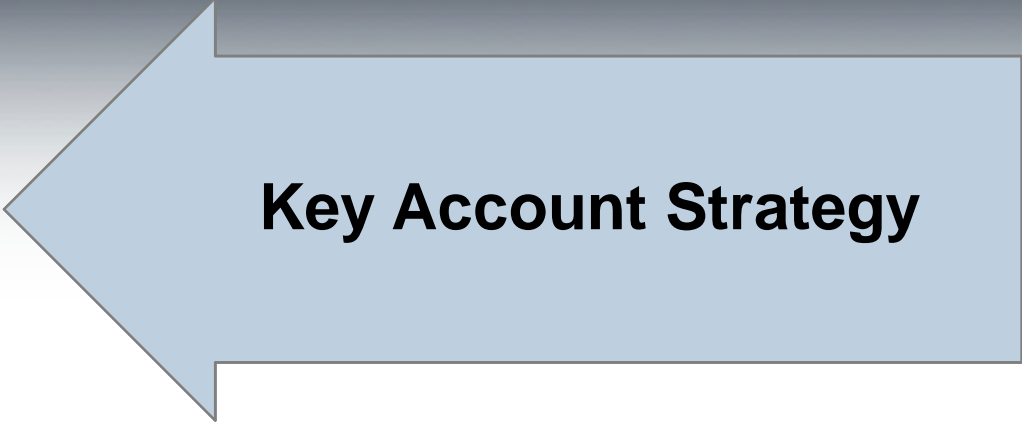
# Commercial Aerospace – Our Strategy



## Evolving Market Channels:

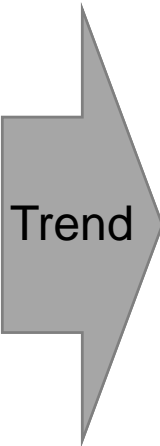
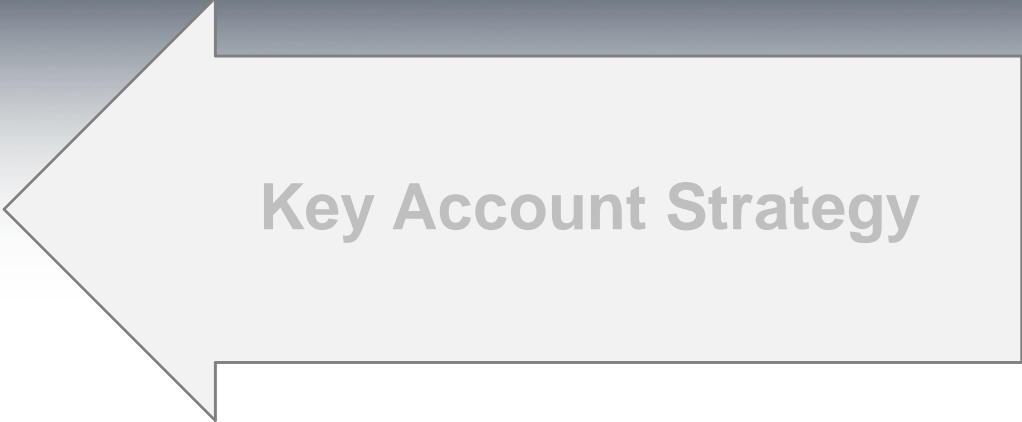
- Tier 1 Consolidation
- Customers Seeking Risk Sharing Partners

# Commercial Aerospace – Our Strategy





# Commercial Aerospace – Our Strategy

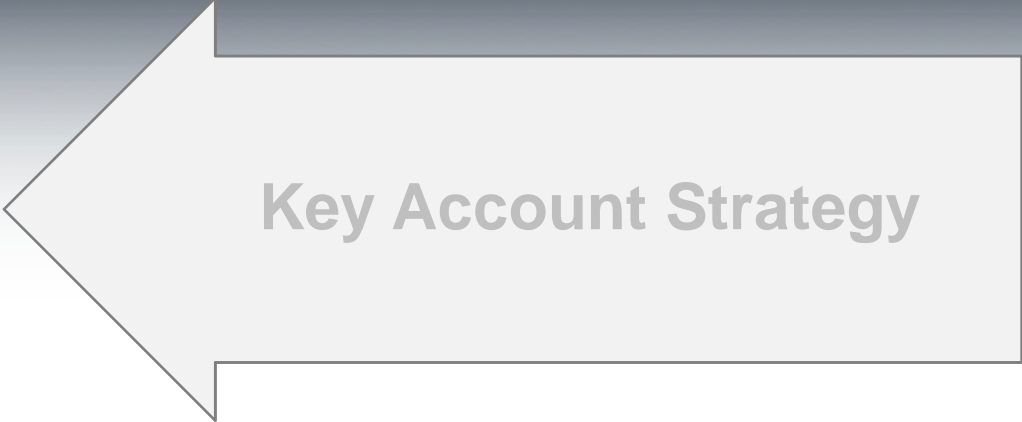


## Technology - Drive for Efficiency:

- Higher Operating Temperatures
- More Electric Aircraft
- Advanced System Architecture – More Sensors to Optimize Operations



# Commercial Aerospace – Our Strategy



# Commercial Aerospace – Our Strategy



**Key Account Strategy**

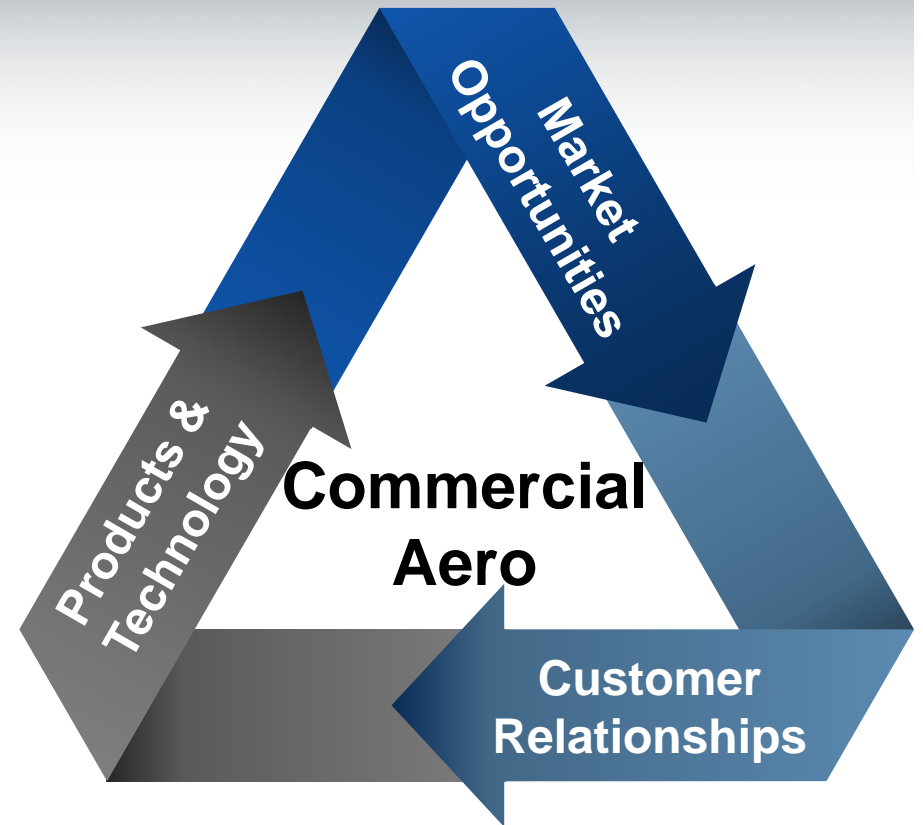


**Technology Roadmaps  
&  
Expanded Product Offering**

**Creating Competitive Differentiation**

# Summary

- **Market Experience –**
  - Capability and Technologies to Fill Customer Gaps
  - Technical Solutions That Differentiate
- **Market Opportunities –**
  - Rate Increase on Legacy & Development Platforms
  - Pipeline of New and Derivative Platforms and Engine
- **Market Position –**
  - Relationships to Fuel Growth
  - Key Account Strategy That Drives Greater Than Market Win Rate



**On Course For Growth & Margin Expansion**



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# Industrial

Kevin Rayment  
SVP/GM, Industrial

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# Markets We Serve



On Highway



Off Highway



Electric Vehicles



# Products



**Controllers**



**Power Management**



**Electronic Throttle**



**Sensors**



**Joysticks**



**Shifters**

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# Applications



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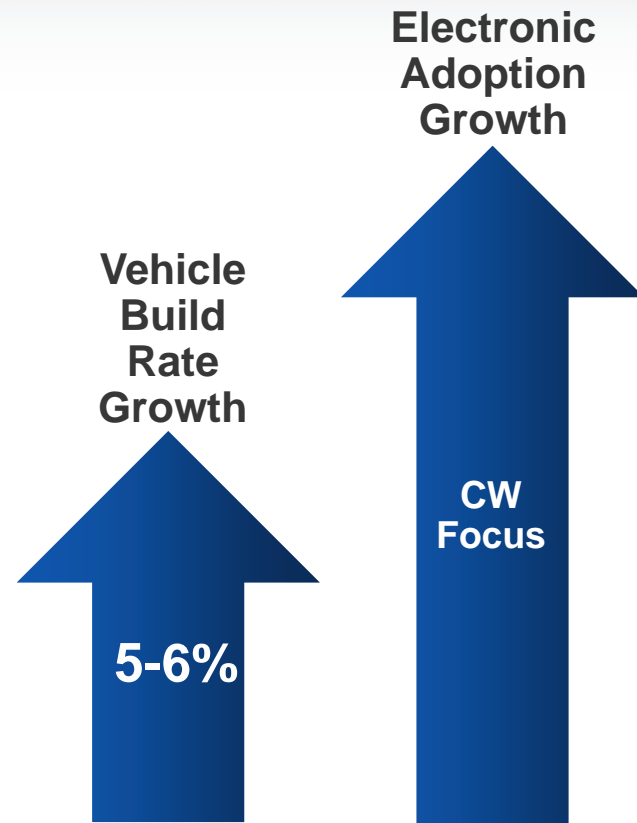
# Opportunity In This Space

## Market Access



Base Industrial  
+ PG Drives  
+ Williams Controls  
+ Arens Controls

## Double Digit Growth

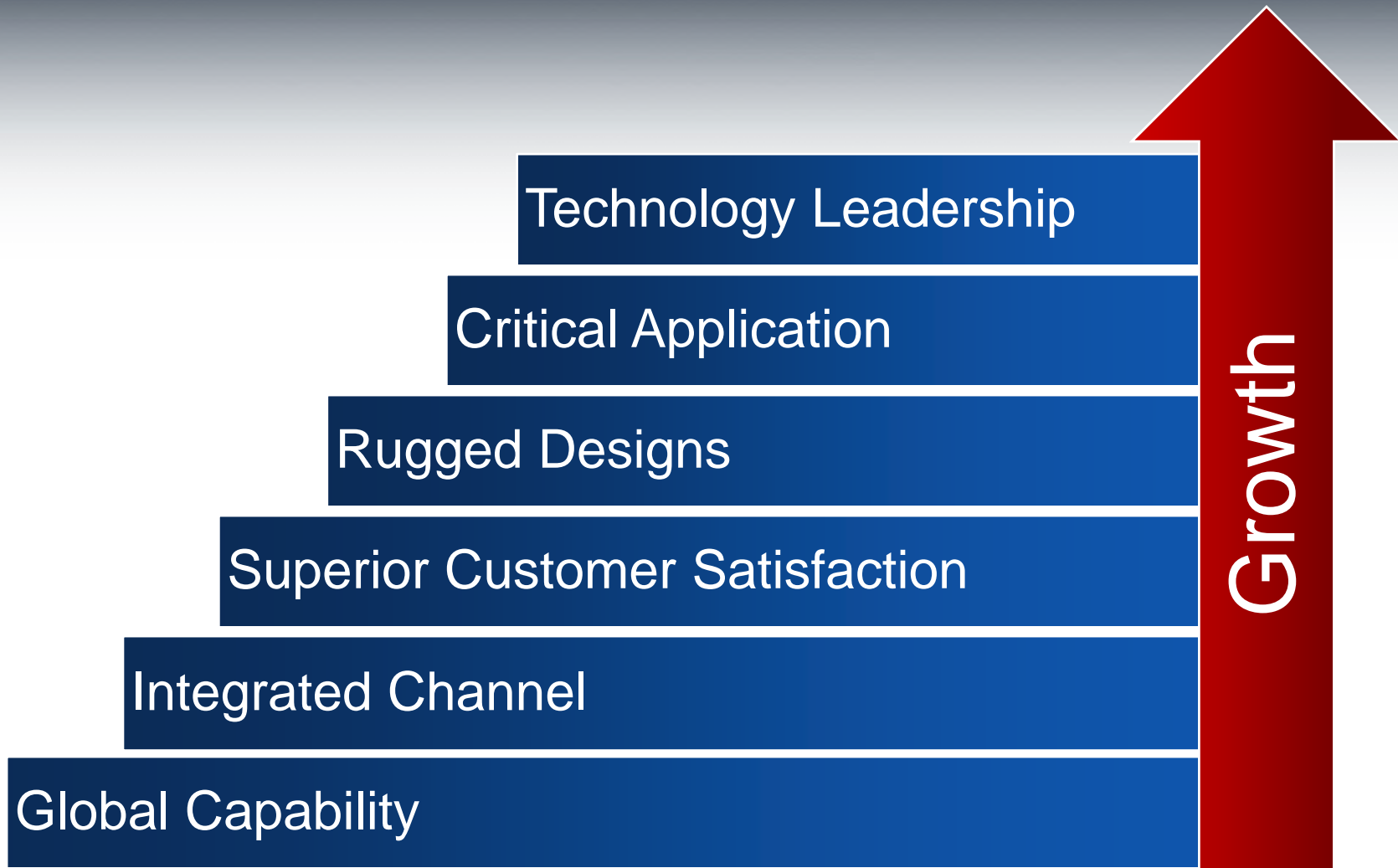


# Positive Trends Impacting Our Growth

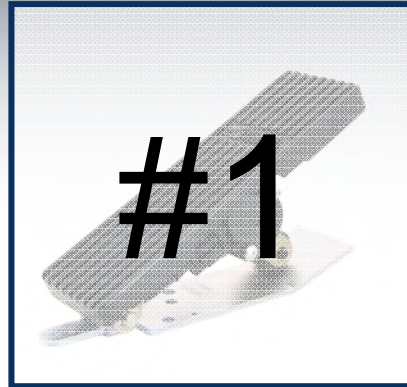
- Increased demand for electronic control systems and sensors
- Driven by
  - Operational efficiency
  - Safety
  - Driver Fatigue
  - Repeatability
  - Making “use of the data” / intelligent systems
  - Reduced emissions and greater fuel efficiencies
- OEMs reducing supplier base



# Competitive Strengths



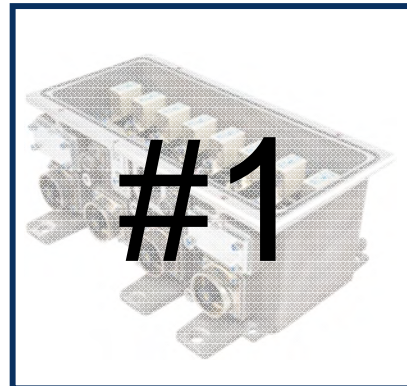
# Market Leadership



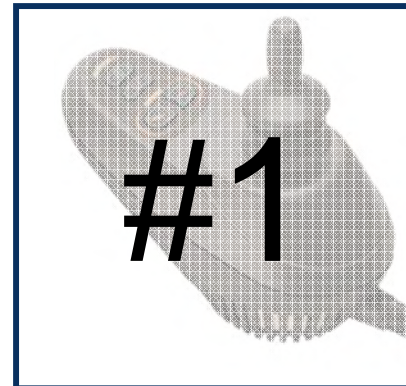
**Electronic Throttle Controls**



**Shifters**



**Hybrid Bus**



**Mobility**



# Key Strategy #1- Covering the Vehicle



**CW System Solution**

**CURTISS  
WRIGHT**

# Key Strategy #2 – New Product Generation

Next Generation



Step Change - Technology



New Technology



# Margin Expansion Opportunities

- 
- China Manufacturing Expansion
  - China Localization
  - “Phase II” Complex Integration

**Margin Expansion Core To Our Business**

**CURTISS  
WRIGHT**

# Summary

- Market opportunity
- Established critical mass
- Double digit growth
- Market leadership
- System strategy
- Margin expansion



**Tremendous Opportunity For Growth**

**CURTISS  
WRIGHT**





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# Surface Technologies

Larry Peach  
President, Surface Technologies

**COMMERCIAL /  
INDUSTRIAL**

**DEFENSE**

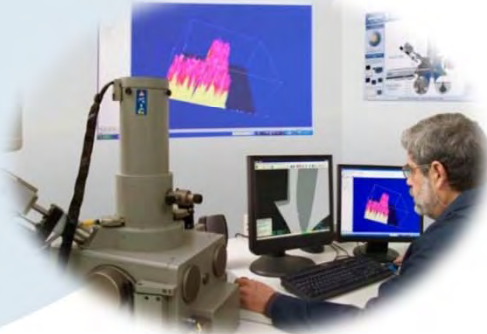
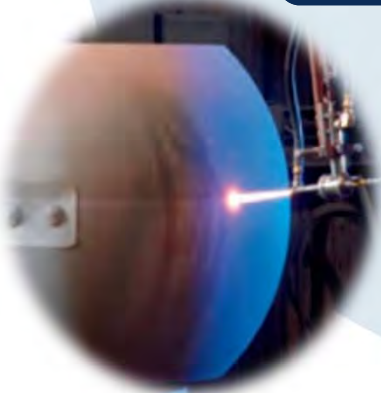
**ENERGY**

**CURTISS  
WRIGHT**

# Providing Advanced Surface Technologies For Premium Commercial/Industrial Markets



Ensuring design integrity & fatigue/corrosion protection of utmost importance



# Providing Advanced Surface Technologies For Premium Commercial/Industrial Markets

← EMBRAER

Rolls-Royce®

Ford

Customers moving to new geographies & demanding more advanced service delivery

BOEING®

AIRBUS  
AN AIRBUS COMPANY

CATERPILLAR

CURTISS  
WRIGHT

# Providing Advanced Surface Technologies For Premium Commercial/Industrial Markets

← EMBRAER ALSTOM

GE Rolls-Royce Ford

Technology leadership required to support advanced design criteria

BOEING SIEMENS

AIRBUS CATERPILLAR

CURTISS WRIGHT

# Enabling Critical Component Performance

**Shot &  
Laser  
Peening  
*Extend Life***



**Engineered  
Coatings  
*Provide  
Protection***



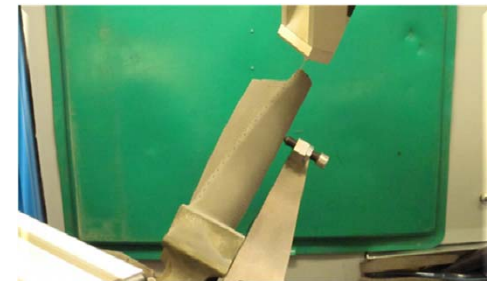
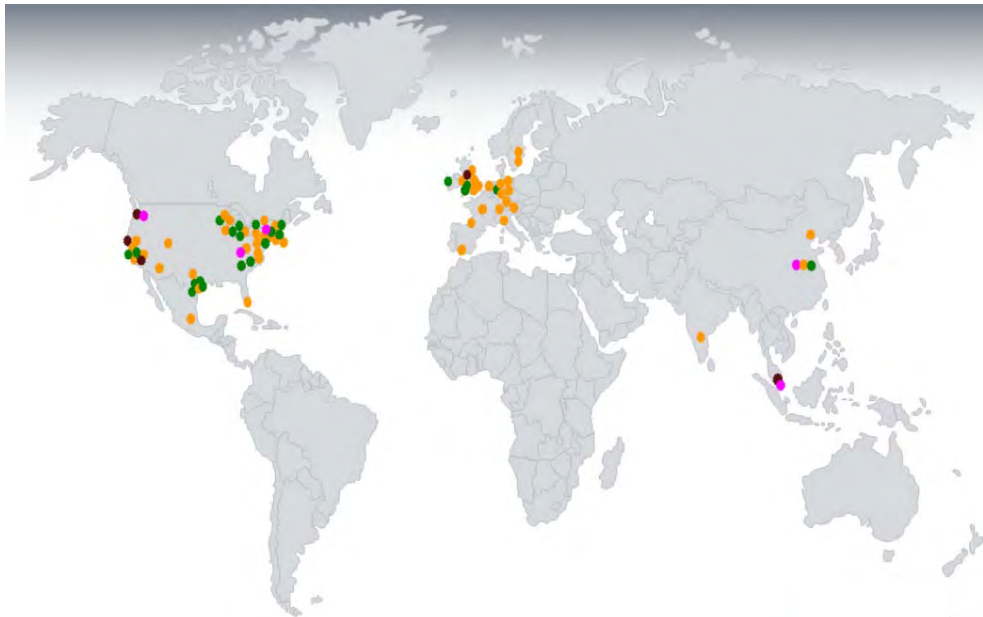
**Analytical  
Services  
*Ensure  
Integrity***



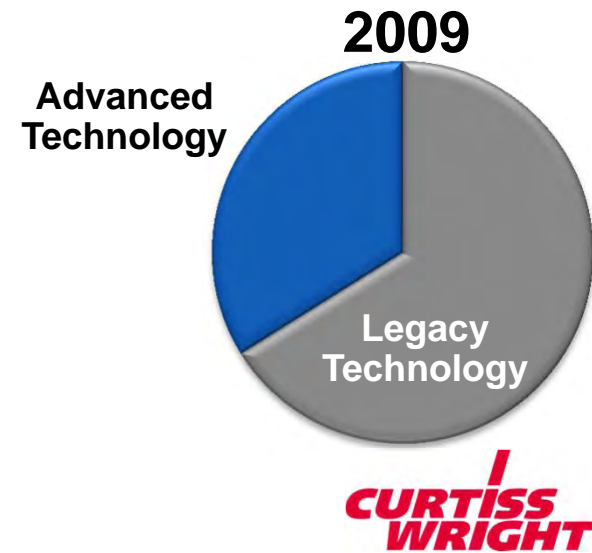
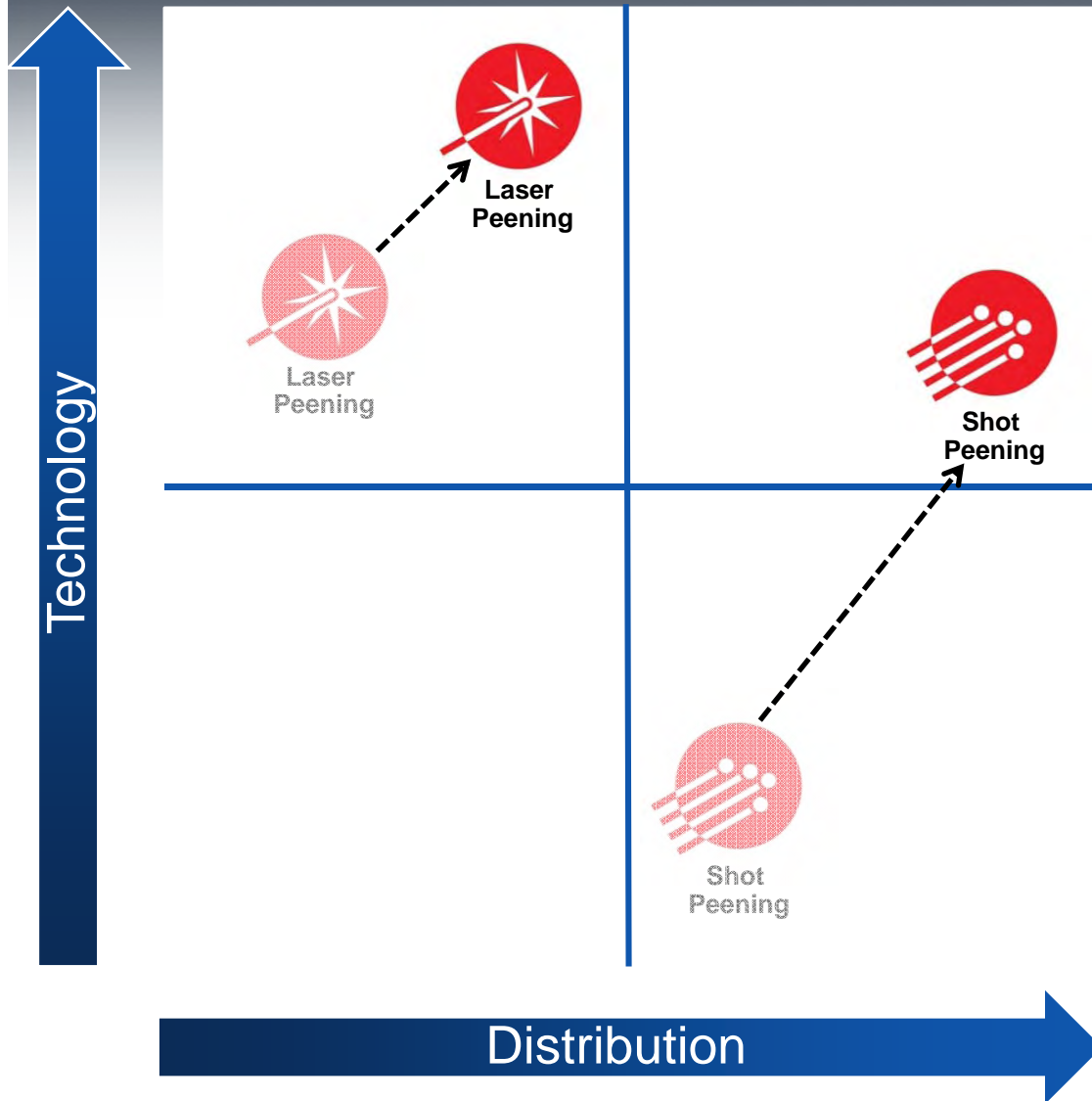
**CURTISS  
WRIGHT**

# Market Positioning & Differentiation

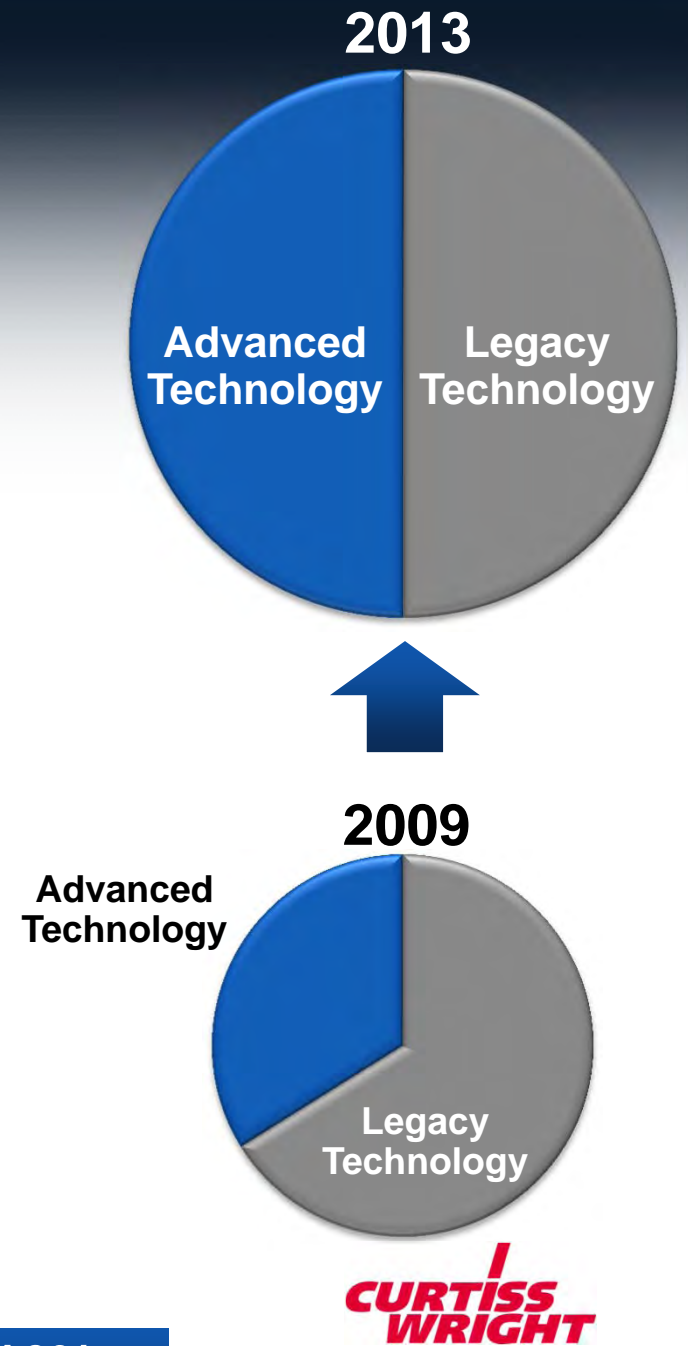
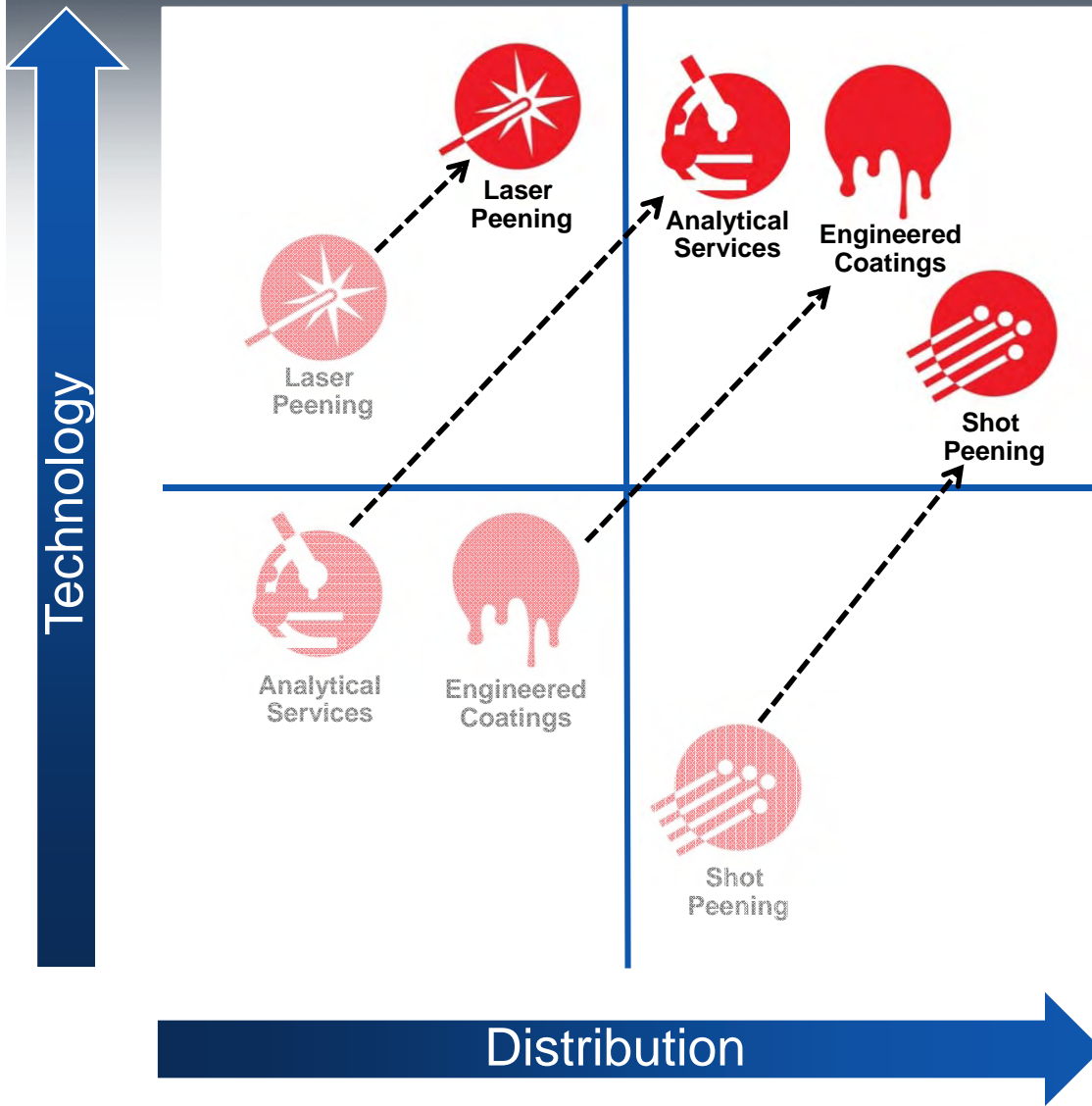
- #1 Worldwide in Shot & Laser Peening
- Technical leadership in Engineered Coatings & Analytical Services
- Specialized engineering capabilities
- Bundling new technologies throughout 70+ facility network
- Shop-in-Shop global expansion focus



# Advancing Technology & Reach



# Advancing Technology & Reach




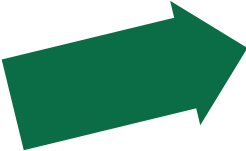




**2009 – 2013F CAGR: 16%**





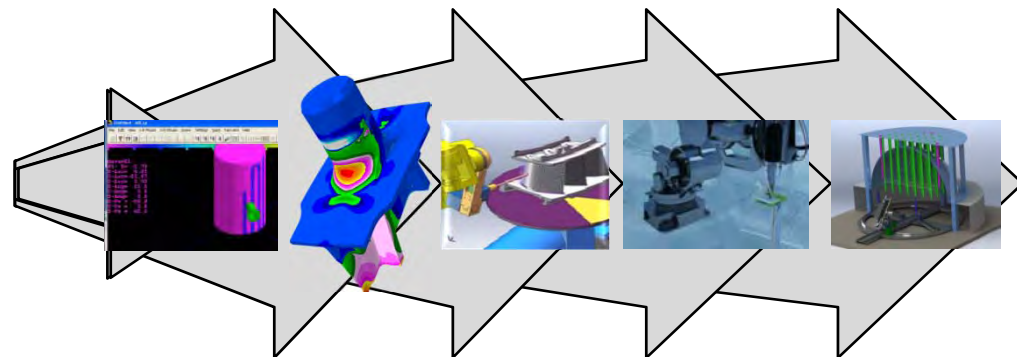
# Market Directions

	<u>Market</u>	<u>Trends</u>
	<b>Commercial Aerospace</b> 	<ul style="list-style-type: none"><li>▪ Airbus deliveries steady</li><li>▪ Boeing deliveries still increasing</li><li>▪ Biz/Regional jets slight growth</li></ul>
	<b>General Industrial</b> 	<ul style="list-style-type: none"><li>▪ US GDP growth strengthens</li><li>▪ EU emerging from recession</li></ul>
	<b>Industrial Gas Turbines</b> 	<ul style="list-style-type: none"><li>▪ New technologies increasing oil/gas drilling activity</li><li>▪ Industrial gas turbine market seeing solid growth due to low natural gas pricing and retirement of coal fired power plants</li></ul>

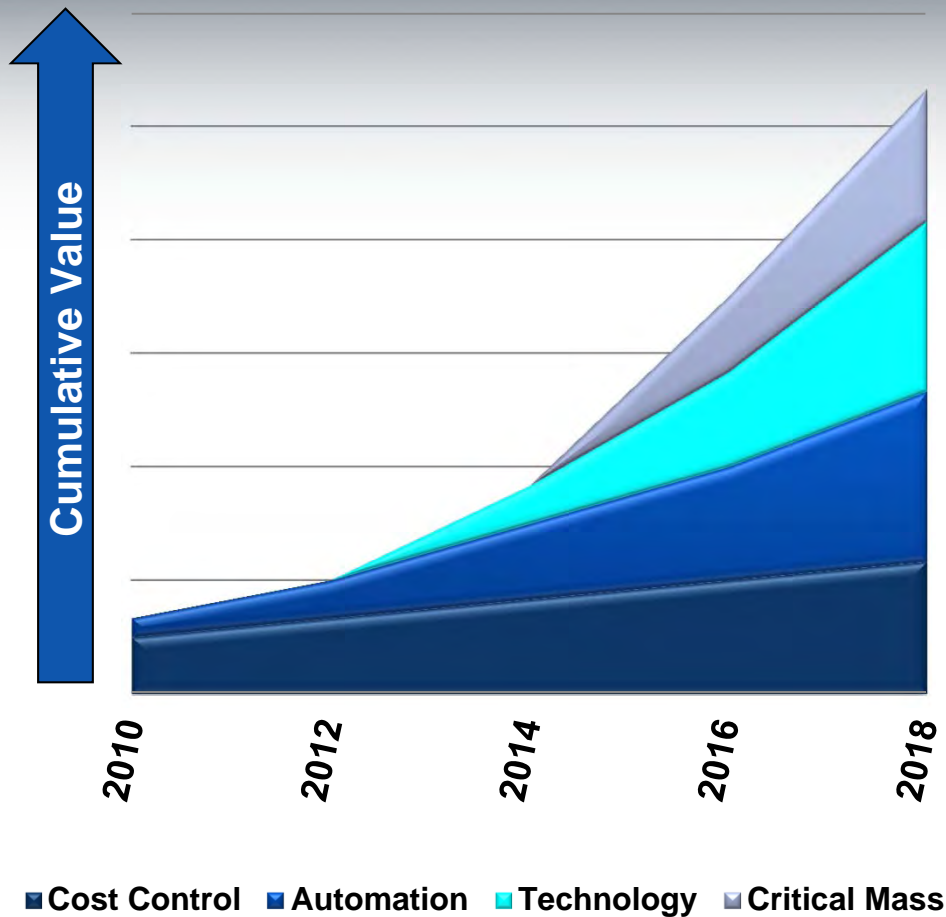
# Focused Technology Investment



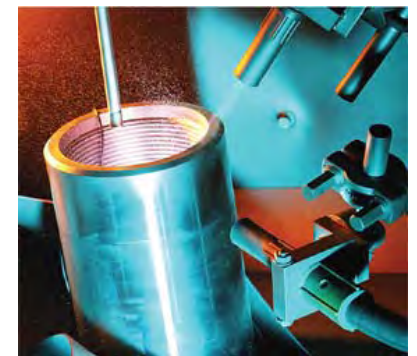
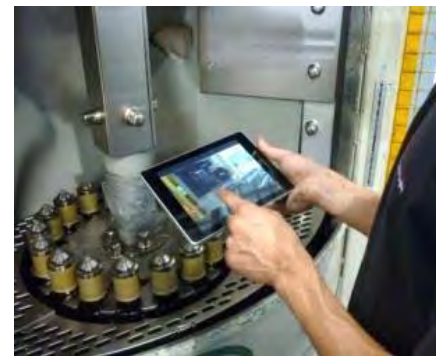
- **Scale UP:** *Grow by expanding use of existing proprietary predictive models for new applications*
- **Scale OUT:** *Grow by rapid insertion of new tools & technologies*



# Margin Improvement



- Productivity enhancements from increased automation & robotics
- Further exploitation of offline programming
- Asset redeployments among facilities and facility consolidations



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WRIGHT**

# Summary

- **Extending Life Cycle**
- **Advancing Up Technology Chain**
- **Focused Technology Development**
- **Top Quartile Op Margin performance**





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# Defense

Lynn Bamford  
SVP/GM, Defense Solutions

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INDUSTRIAL**

**DEFENSE**

**ENERGY**

**CURTISS  
WRIGHT**

# Our Defense Markets

**Enabling Network-Centric Warfare**



**Providing mission-critical avionics**

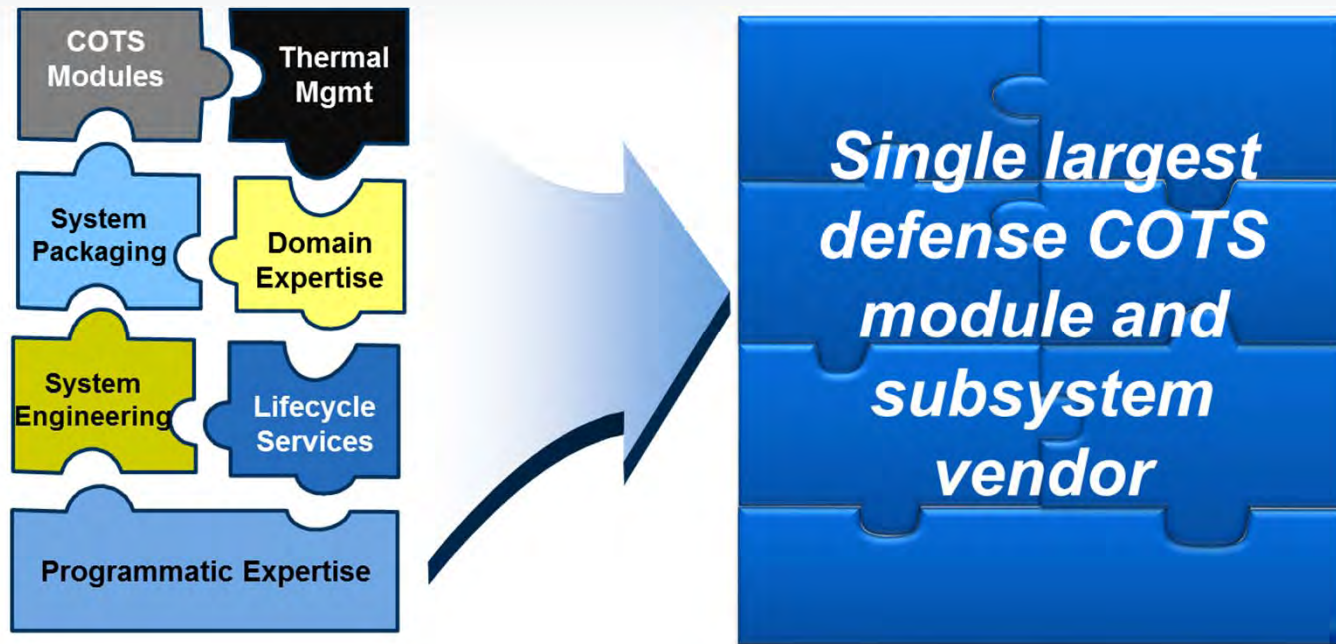


**Providing reliable electro-mechanical and vehicle electronics**

**Providing shipboard electro-mechanical and electronic solutions**

# Curtiss-Wright Ranked #1 in the Industry

THE LEADING SUPPLIER OF OPEN ARCHITECTURE  
RUGGED EMBEDDED COMPUTING TECHNOLOGY



***The COTS Success Story***

# Defense Market Trends

## Trends

**Fewer Large Programs**

**Modernization Of Existing Platforms**

**Emphasis On Affordability**

**Emphasis On Technical Maturity**

**International Growth Opportunities**

## Predictions

**US Defense cuts will continue**

**R&D cut at ~ 20%**

**Defense Industry hit hard in 2014**

**Primes focusing on International Sales**

**Worldwide C4ISR growth driven by Asia-Pacific region**

**Key Strategies Developed to Address Market Trends**



# Strategy: “COTS +”

*Become a New Class of COTS Supplier*

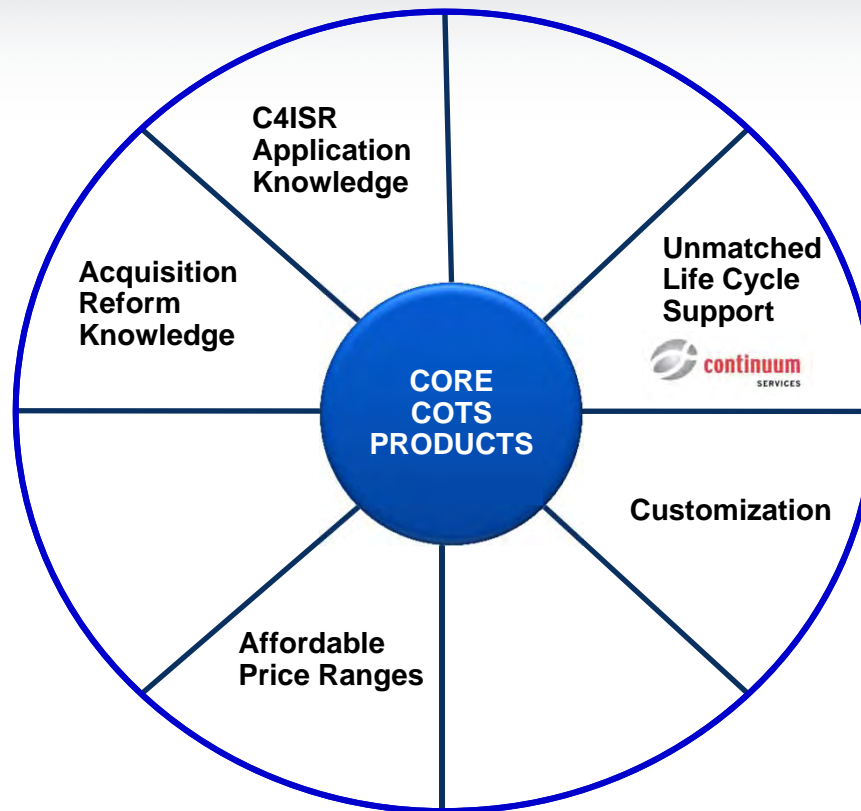
## We Took A Core COTS Product Strategy



# Strategy: "COTS +"

*Become a New Class of COTS Supplier*

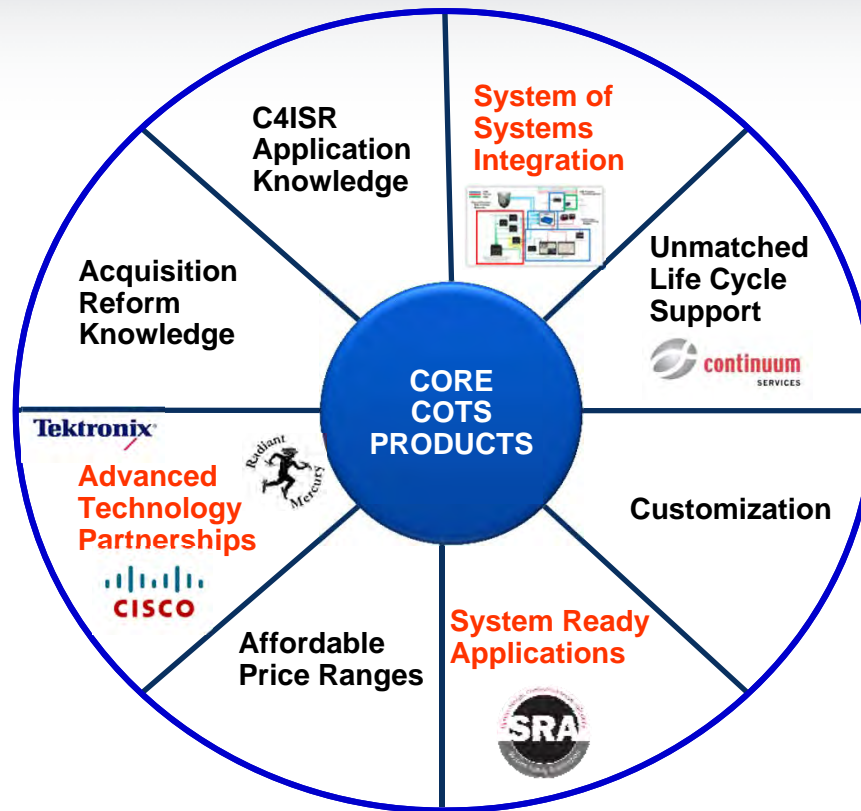
## Added Capabilities to Provide a Stronger COTS Offering



# Strategy: "COTS +"

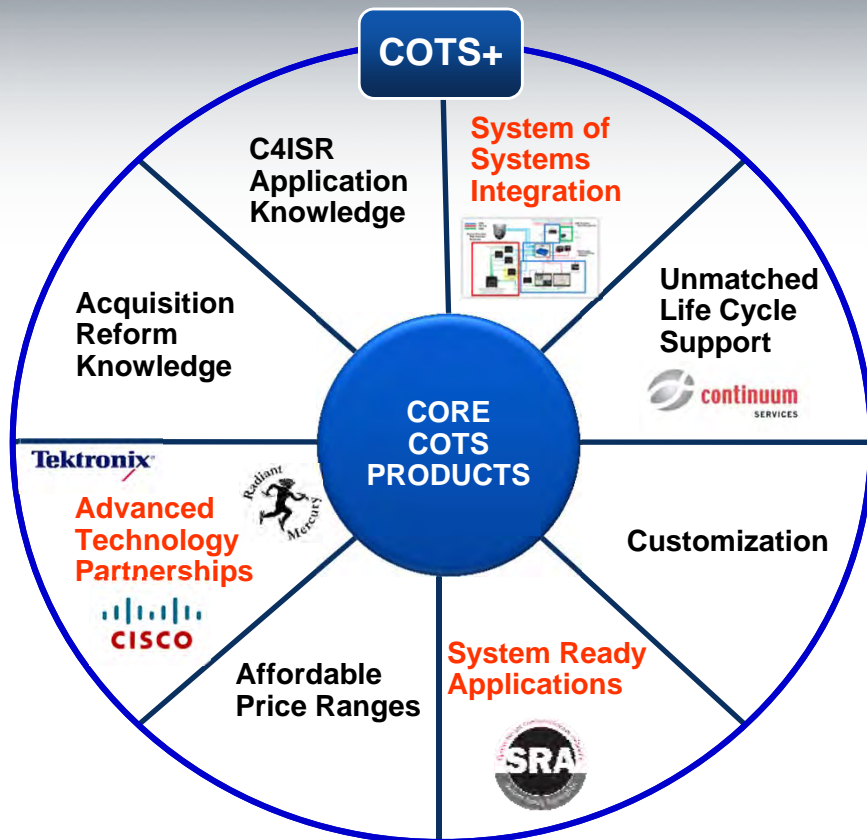
*Become a New Class of COTS Supplier*

**Plus Capabilities to Increase Value and Content**



# Strategy: "COTS +"

*Become a New Class of COTS Supplier*

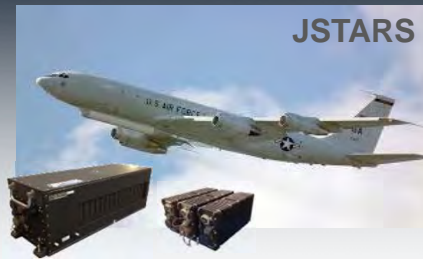


## **COTS+ Will:**

- Provide affordable solutions
- Support platform upgrades
- Deliver mature low risk technology
- Differentiate through technology
- Drive Op Margins

**Staying Ahead of the Curve in an Uncertain Market**

# Strategy: Growth in C4ISR



**Enabling  
Network-Centric Warfare**



**Doubling Available Market**

# Strategy: Targeting Key Market Opportunities

## Examples

- **Electronic Warfare**

- Increased demand for wideband and multichannel needs of EW, SIGINT & ISR systems

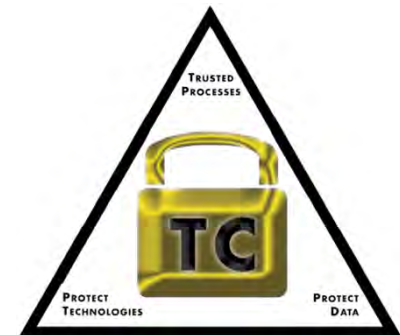


### **CHAMP-DRFM**

Extreme high performance wide-band Digital RF Memory Module

- **Foreign Military Sales**

- Need to protect U.S. technology through trusted people, products and processes



**Trusted COTS**  
from Curtiss-Wright

**Technology Aligned to Market Growth**

# Strategy: International Growth



**Well-Positioned in Europe, Middle East and Asia**

# Summary

- Track record of technology leadership
- Trusted supplier for over 3 decades and thousands of programs
- Continued growth in a constrained market
- Marquee brand
- Top quartile financial performance



**Ranked Number One In The Industry**





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# Oil & Gas

Ron Stockwell  
VP/GM, Oil & Gas Systems

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**DEFENSE**

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# Products and Services



**Pressure Relief Valves**



**Top & Bottom Un-heading Valves**



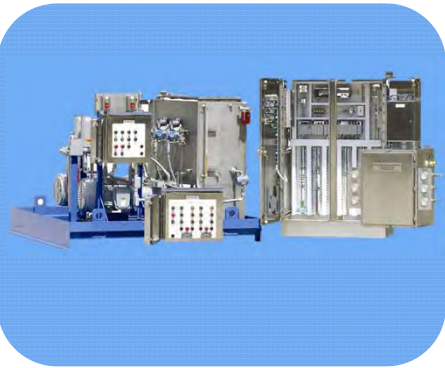
**Slide Valves**



**Reactors**



**Valve Repair**



**Electronic & Hydraulic Controls**



**Butterfly Valves**



**Separators**

# Market Updates

## Refining



Capital investment slowed significantly in recent years

US production is level, but there are fewer refineries

Global expansion has been slower than expected due to economic uncertainty

## Aftermarket



Worldwide refinery counts are stable, and capacity is increasing

Shift to more complex refineries

Running equipment longer

## Upstream



Worldwide demand is increasing, driving upstream activity

North America has highest capital expenditure for 7 consecutive years

High crude oil prices and a global demand have resulted in a huge level of upstream activity

# Upstream Market Drivers

## Industry Drivers Fuel Future Growth

**Rising Demand  
for Oil and Gas**

- Global oil consumption is expected to increase by 25 million barrels per day

**Emergence of  
Unconventional  
Resources**

- Shale oil will be 35% of oil production by 2035
- Shale gas will be 45% of gas production by 2035

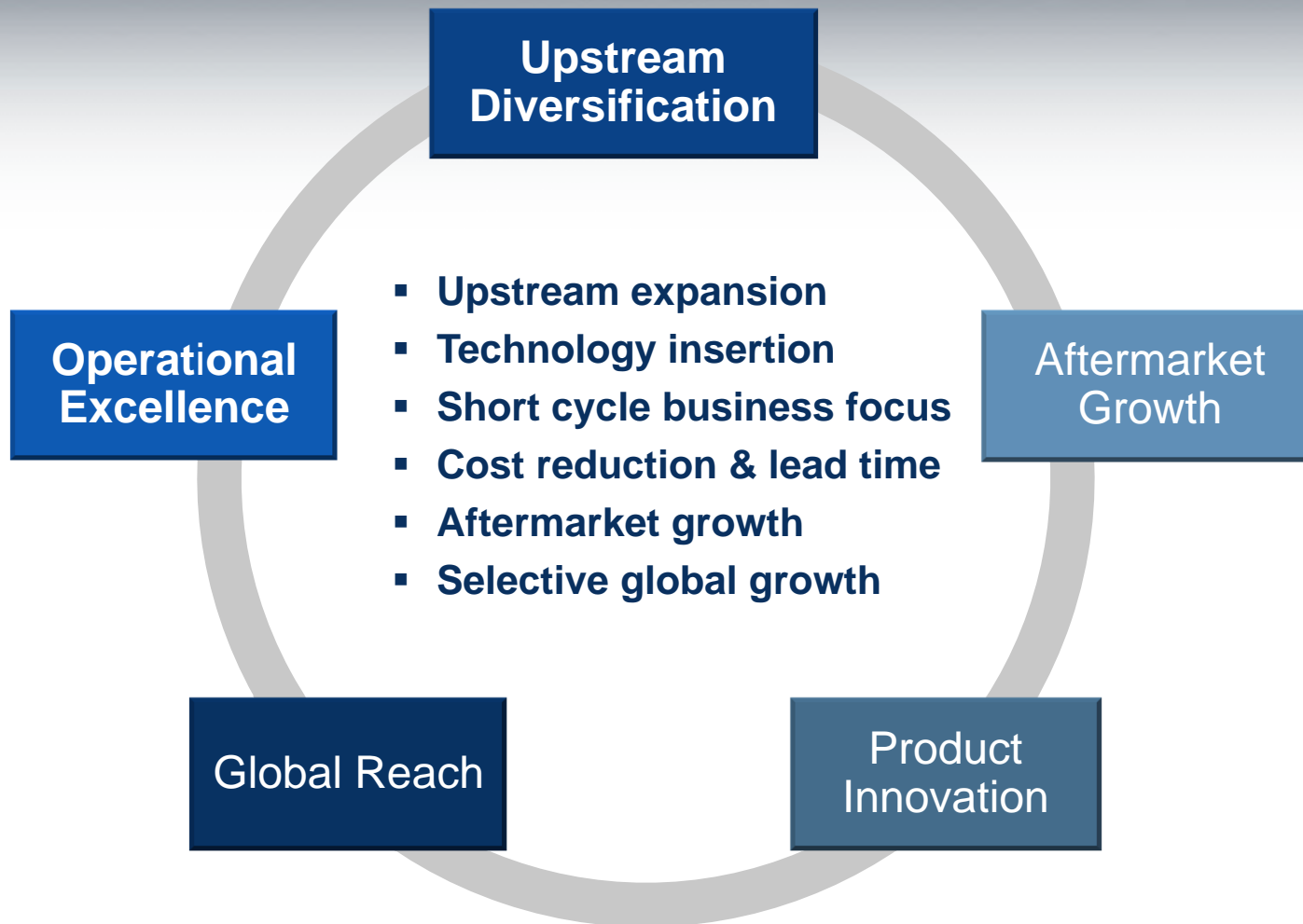
**US is an Oil-  
Driven Market**

- New drilling technologies changing the profit equation

**Increasing  
Environmental  
Regulation**

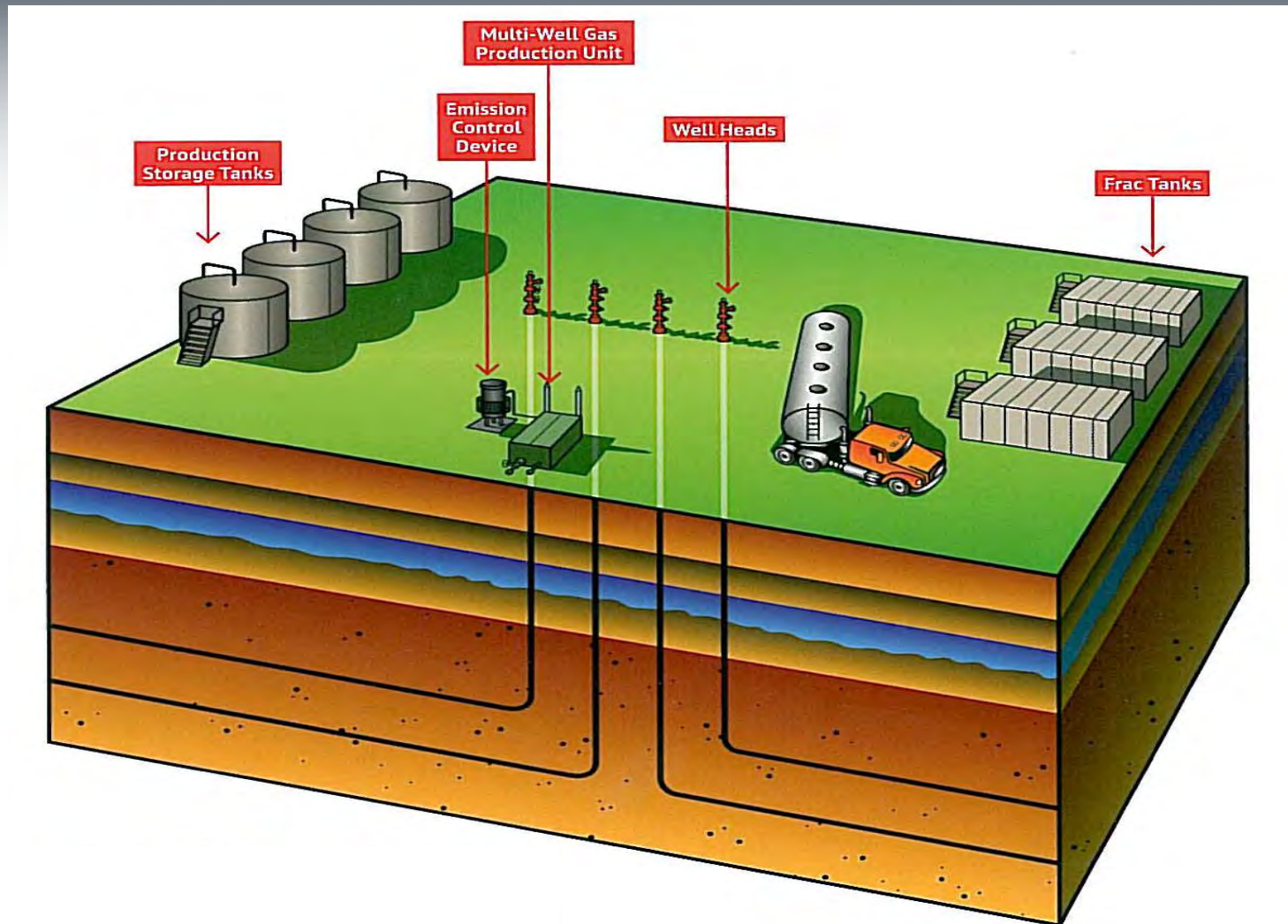
- Substantial investments in Environmental compliance will be required by producers

# Oil & Gas Strategy Overview



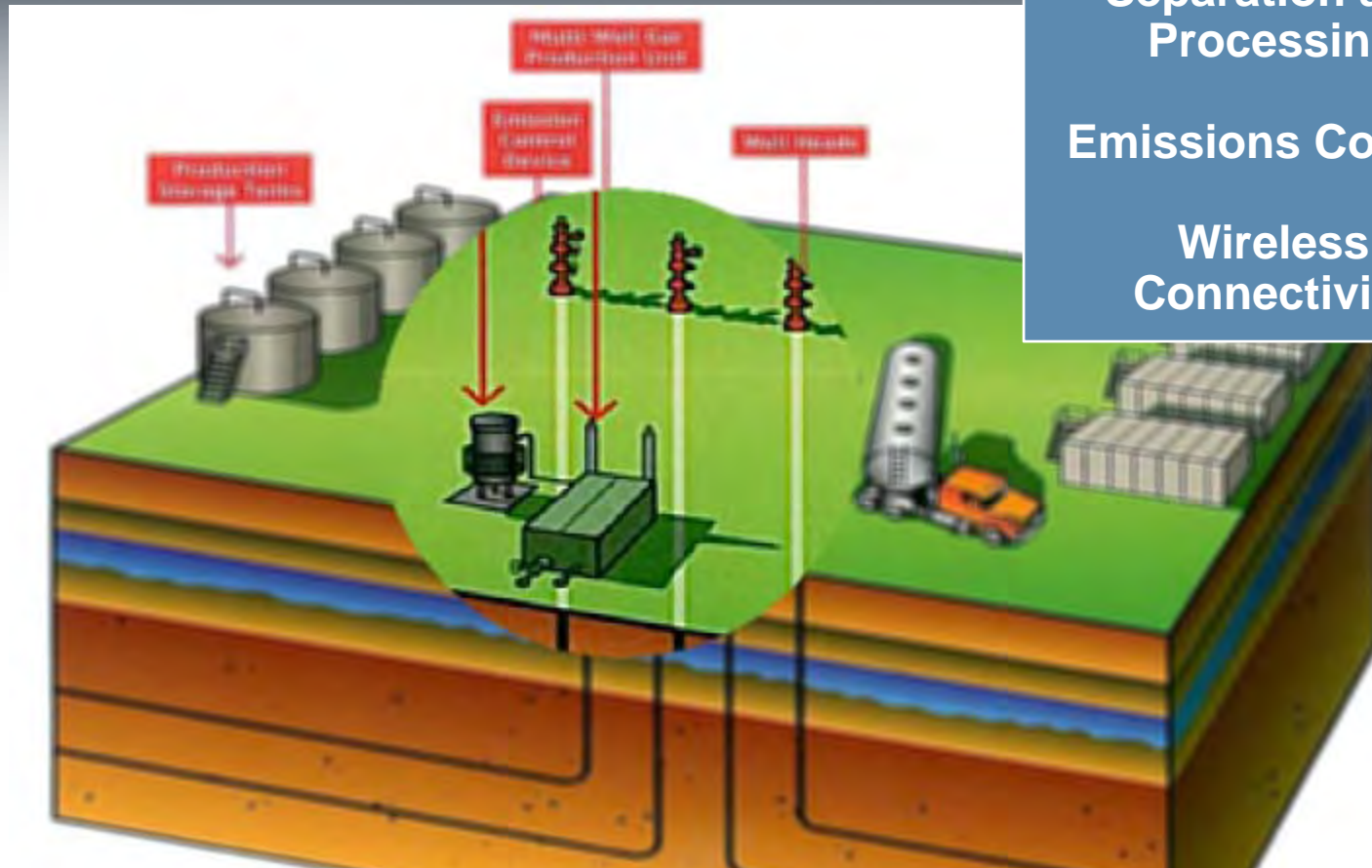
# Upstream Diversification

## *Exploration to Transportation Components*



# Upstream Diversification

## *Key Opportunity Areas*

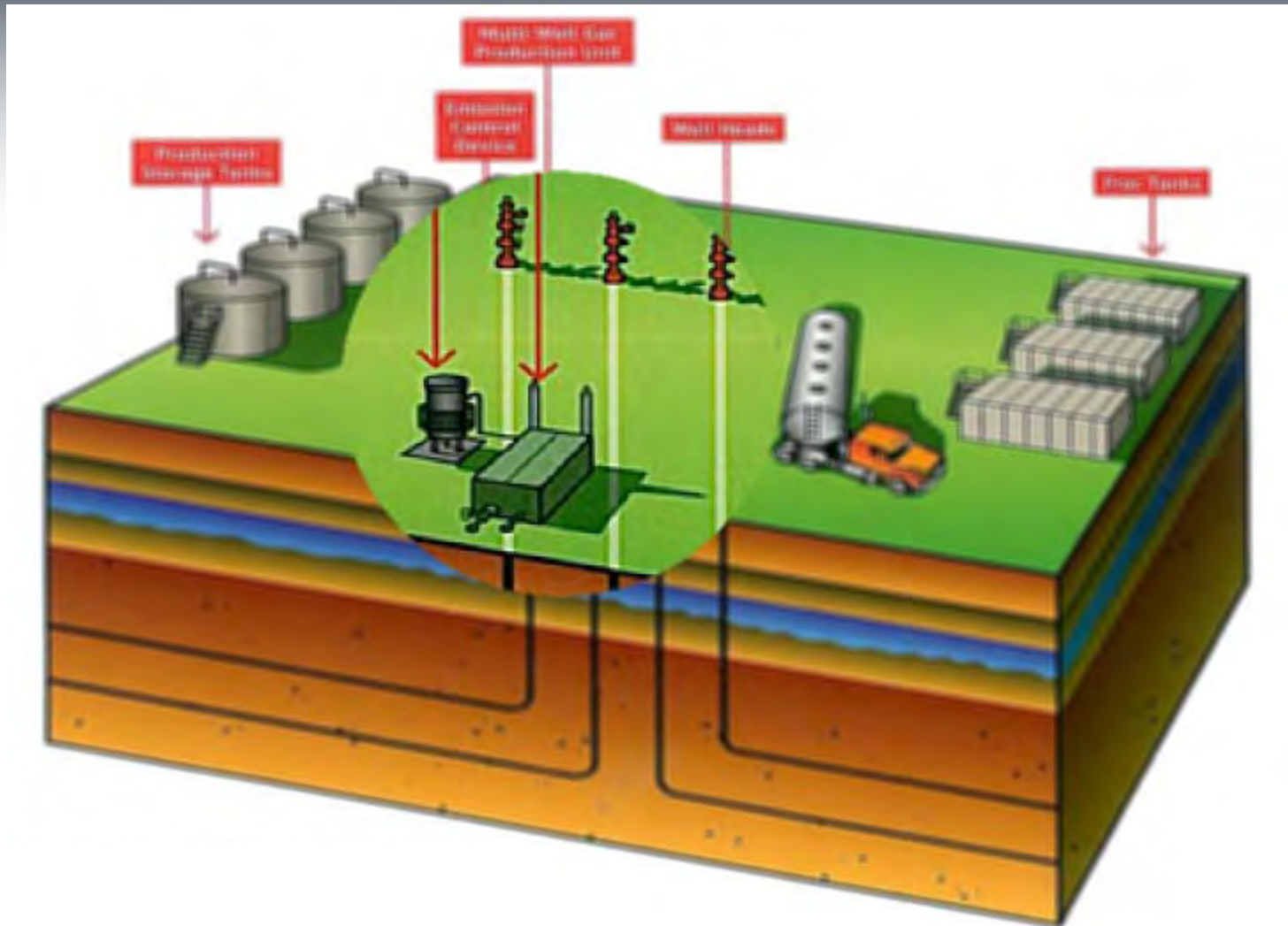


Separation and Processing  
Emissions Control  
Wireless Connectivity

***Strategy - Providing high IP products for critical wellhead applications ensuring safe, efficient and environmentally friendly operations***

# Upstream Diversification

## *Key Opportunity Areas*



**Over 40,000 New Wells in North America Every Year!**



# Cimarron Core Products

## Production, Processing and Emissions Control Equipment

**Separators**



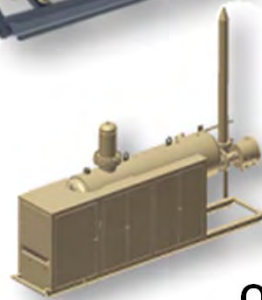
**Combination Units**



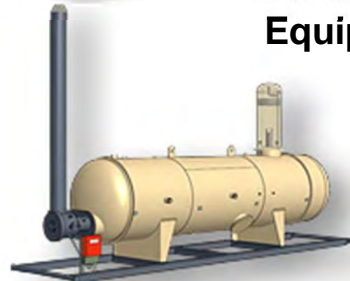
**Burner Management Systems**



**Flowback Equipment**



**Oil Treating Equipment**



**Emission Control Devices**



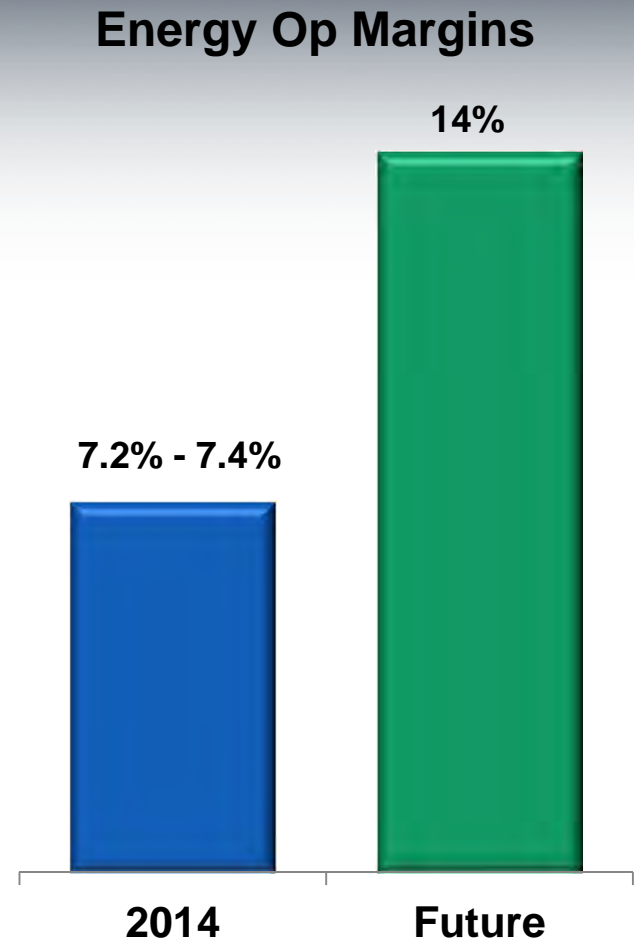
**Vapor Recovery Towers**



**Well Positioned in a Growing Market**

# Margin Improvement

- Product Mix
  - Upstream product focus
  - New technology introduction
- Capacity Utilization
  - Insourced \$12M from Cimarron
  - \$40M planned for 2014
  - Accelerates Cimarron growth
- Lean Implementation
  - Throughput up 25%
  - Targeting 20% improvement in productivity in 2014



**Excellent Progress Being Made and Will Continue**

# Summary

- **Solid growth led by Upstream and Aftermarket**
- **Intercompany capacity supports Upstream growth**
- **Continued focus on Lean implementation drives margin improvement**



**Capitalizing on Upstream & Operational Excellence**



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**DEFENSE**

**ENERGY**

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# Commercial Power

Greg Hempfling  
SVP/GM, Electro-Mechanical Systems  
Jim Leachman  
SVP/GM, Nuclear

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WRIGHT**

# An Enduring Legacy

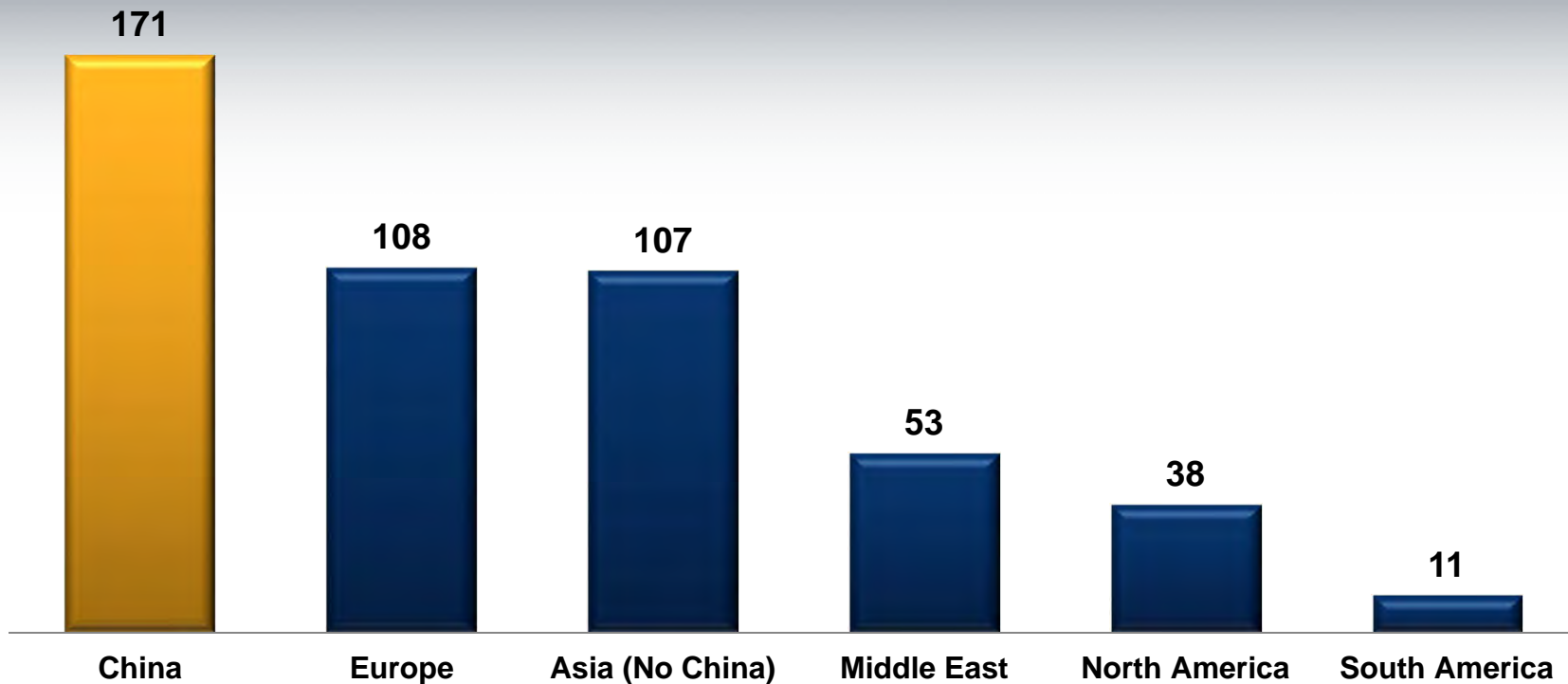
60 years of service to the Nuclear Power Market





# New Build by Location

Reactors Planned and Proposed Worldwide Through 2030



We expect over half of the new planned and proposed reactor builds to be of AP1000 design in China



# AP1000 Canned Motor Reactor Coolant Pump

- Curtiss-Wright's AP1000 Reactor Coolant Pump (RCP)
  - Designed for Westinghouse AP1000® Nuclear Power Plant
  - RCP circulates reactor coolant water through the reactor vessel, loop piping and steam generators
  - Eight RCPs in each AP1000 Nuclear Power Plant
- Design Benefits
  - 60 year design life
  - Provides the required pump inertia for passive safety
  - High seismic capability





# AP1000 RCP Strategic Actions

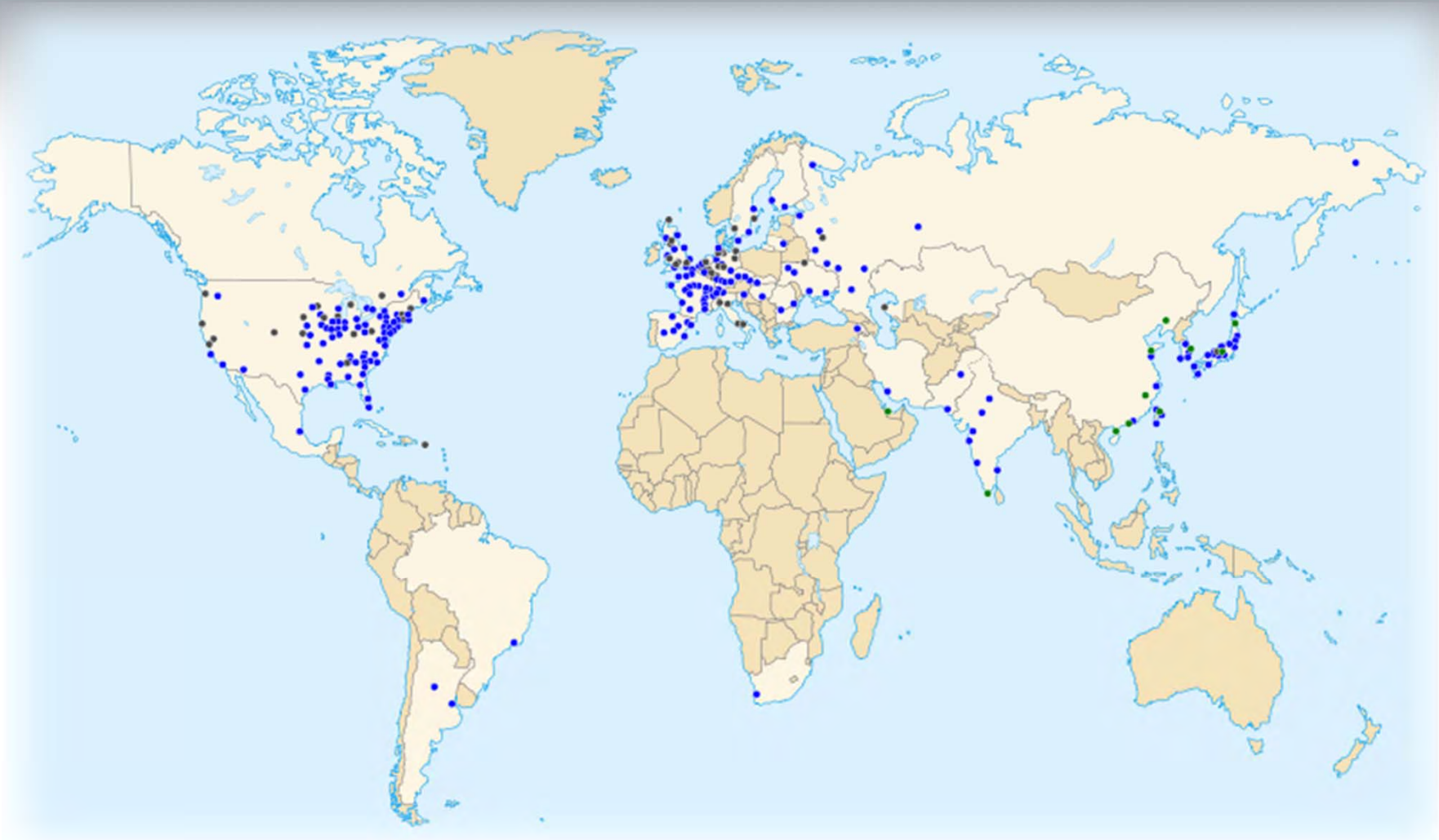
- Focus on China
  - Negotiate RCP orders directly with the Chinese plant owners
  - Explore opportunities through Westinghouse
- Keep pursuing all opportunities
  - Czech Republic
  - High Seismic RCP
- Innovations/Improvement
  - Make Current Model RCP obsolete



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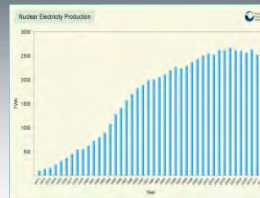
# World Operating Reactors

432 Operating reactors in 31 countries provide 11% of the world's power



Source: WNA

# Market Volatility Creates Opportunity



- Three Mile Island / Chernobyl
- Poor operating performance
- Cost overruns
- “N” Stamp/OEM abandonment
- Nuclear Renaissance
- 91%+ capacity factors
- PLEX, EPU’s
- Positive public opinion
- Fukushima
- Plant closures
- Natural gas prices
- Economy- Reduced Demand

1979-2000

2000-2010

2010-2013

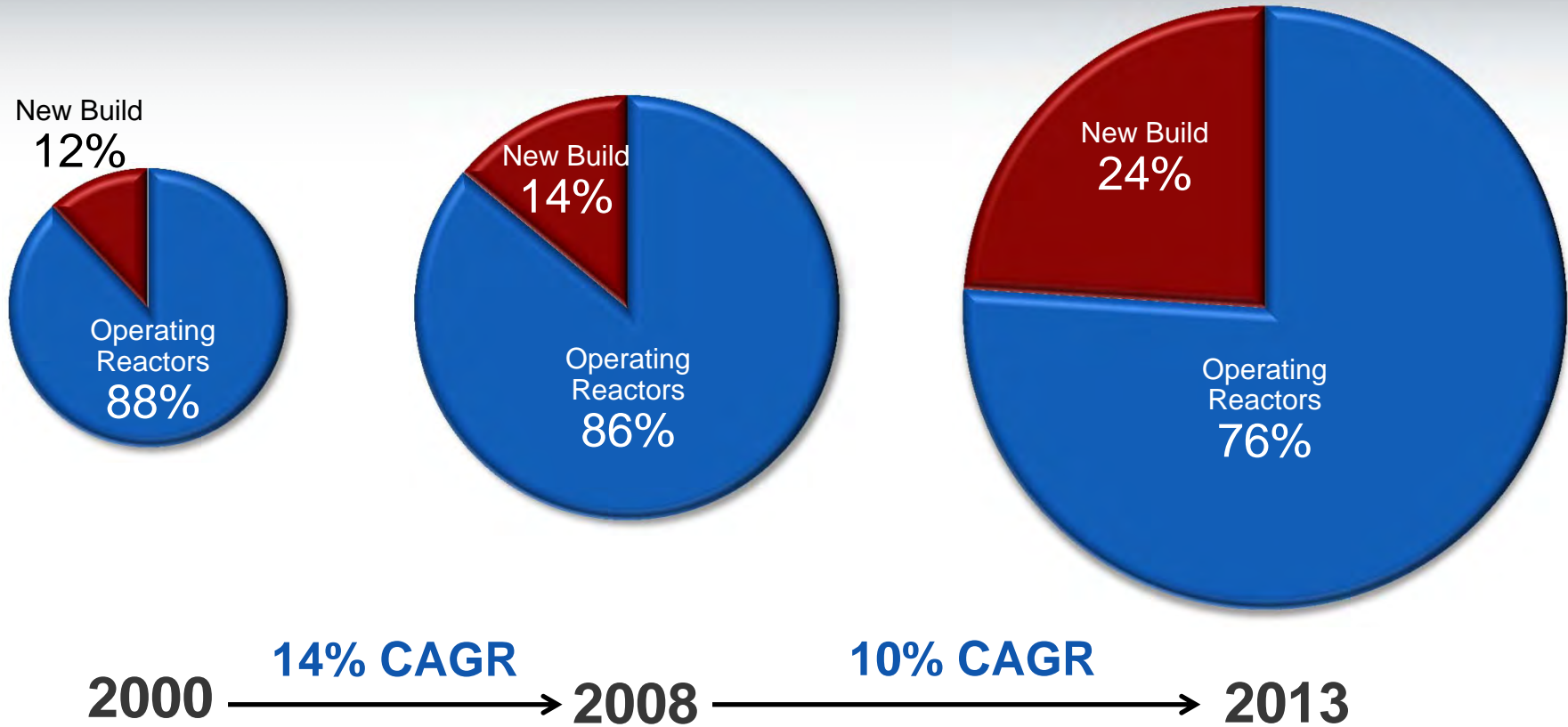
## Opportunities

Increased Teaming/Client Partnerships  
 Executed Key Acquisitions  
 Grown Stable of Subject Matter Experts (SMEs)  
 Invested in QA Infrastructures / “N” Stamps  
 Advanced Obsolescence Platform  
 Product/Technology Development



# Operating Reactors

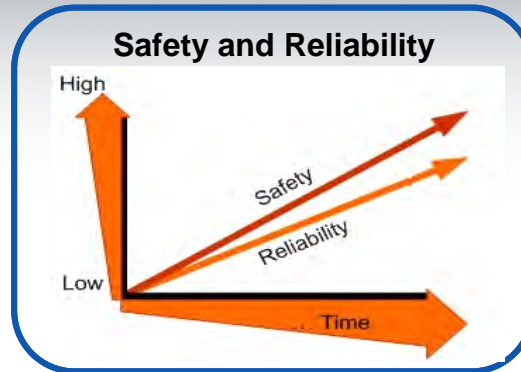
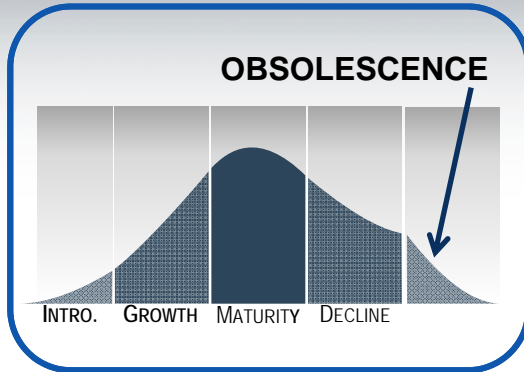
Aftermarket Sales Growth



**Continued Strong Sales Growth into Operating Reactors**

# Operating Reactors

## Market Drivers

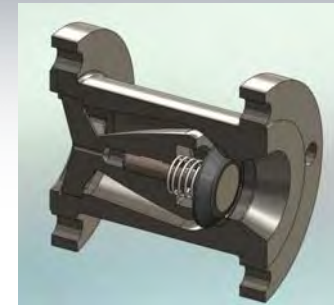
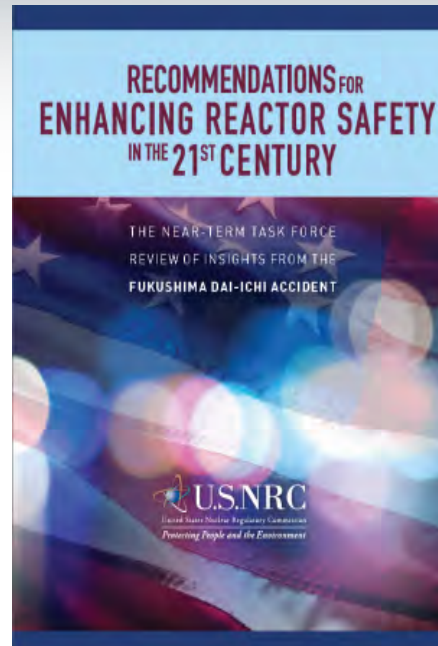
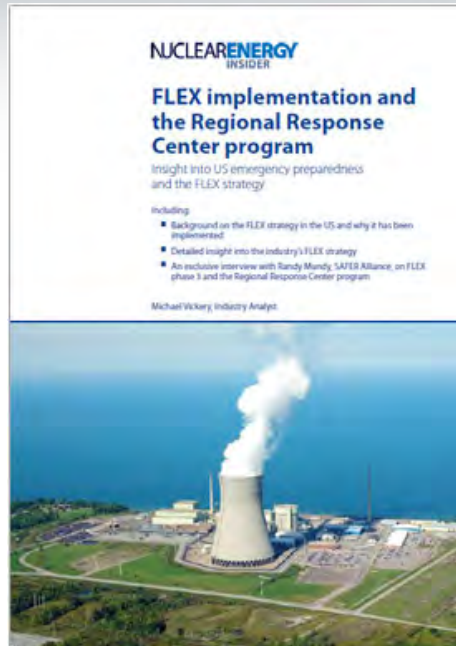


OEM



# Operating Reactors

## Regulatory: Fukushima



Completed  
**\$0M**

Backlog  
**\$14M**

Addressable Market  
**\$70M**

# Operating Reactors

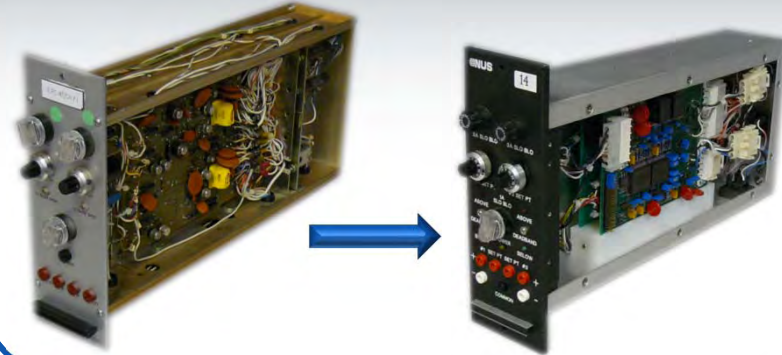
Safety, Reliability, OEM Abandonment, Obsolescence

## Plant Process Computers



- Critical plant performance monitoring with state of the art technology
- Platform for larger non-safety control systems
- Addresses NRC cyber security concerns and regulations

## Analog Control Modules



- Solves OEM market abandonment
- Generates thousands of new CW installed proprietary modules
- No design change - meets original Form, Fit and Function

Completed  
**\$178M**

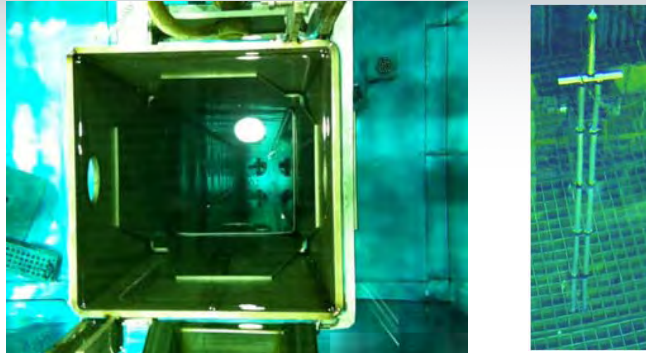
Backlog  
**\$42M**

Addressable Market  
**\$600M**

# Operating Reactors

Safety, Reliability, Obsolescence, Regulatory

## NETCO-SNAP-IN/Badger Testing



- 20+ year Spent Fuel Pool rack life extension
- 50% Cost vs. Re-Racking
- Only in-situ method of monitoring the safety of spent fuel pool racks

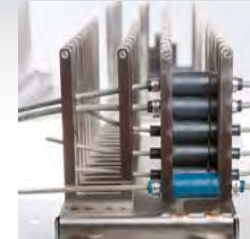
## Connection Products



Quick Disconnects



Electrical Penetration Assemblies (EPAs)



Grayboots

- One QDC application saves \$325K in maintenance and exposure costs
- Only Qualified QDC's and Grayboots®
- EPAs - Bundled replacement reduces installation time and exposure (\$1.5M)

Completed  
**\$63M**

Backlog  
**\$30M**

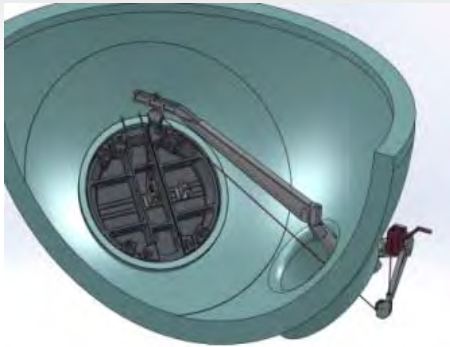
Addressable Market  
**\$525M**



# Operating Reactors

## Technology Advancements and Developments

### Zero Entry Nozzle Dam



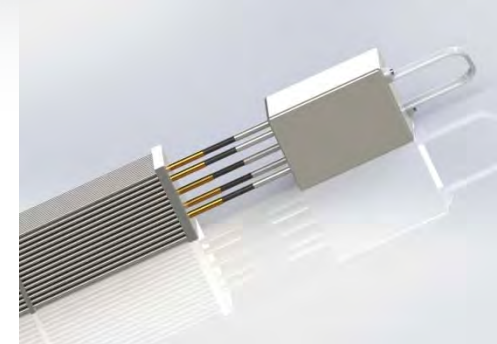
- 50% reduction in man-REM exposure
- Market Opportunity-\$40M

### Position Indication Probe (PIP)



- 40% Cost Savings
- Refurbishment Kit versus wholesale replacement

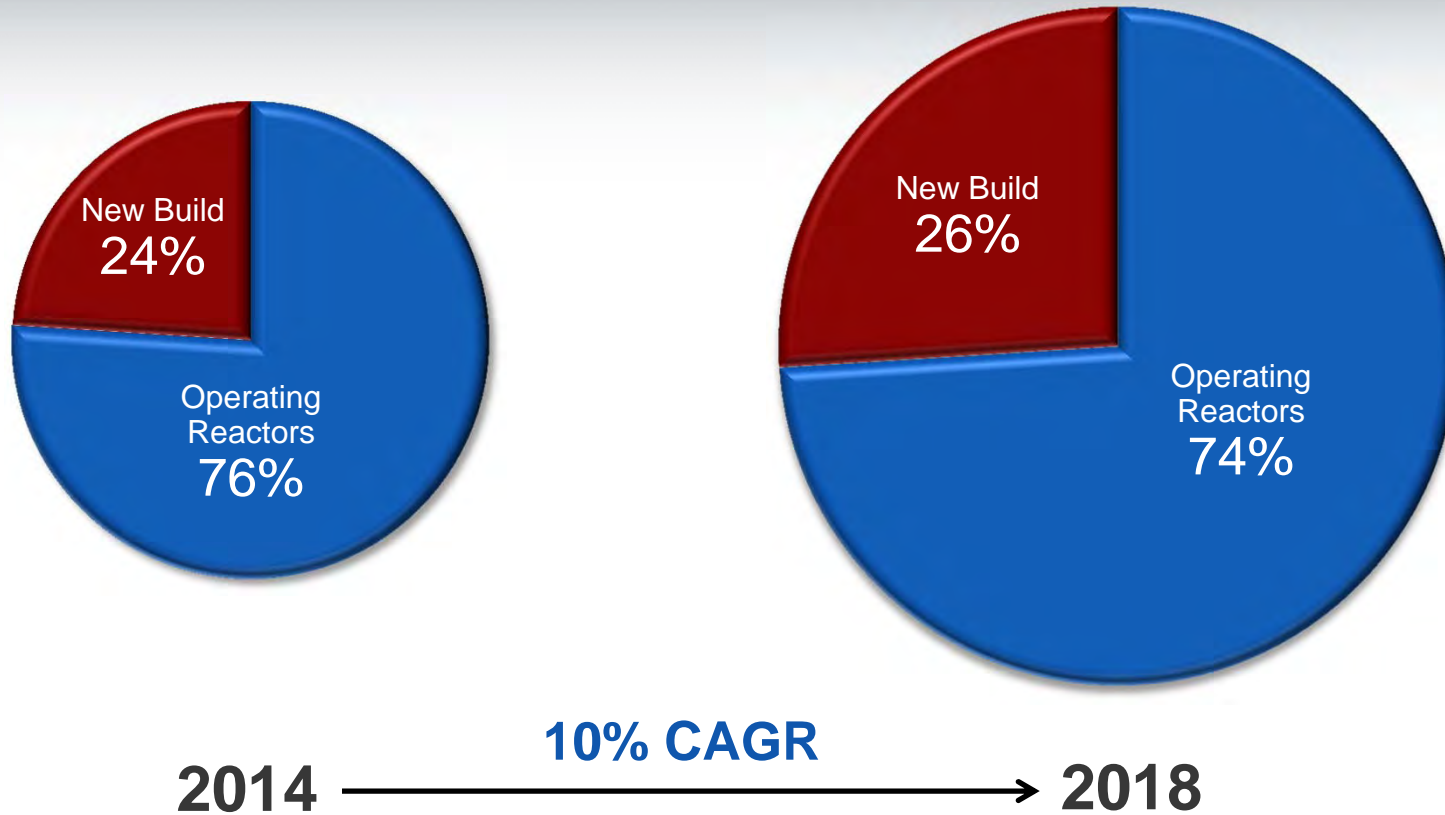
### Fuel Rod Inserts



- Safe storage of PWR spent fuel
- Fuel Bundle insertion reduces risk of improper handling

# Operating Reactors

Sustainable Growth Platform



**Bright Future for Continued Growth in Operating Reactors**

# Summary

- The future for worldwide Nuclear energy is positive
- Well-positioned in China and globally
- Technology & innovation equal growth
- Key role in solving critical plant obsolescence challenges



# Q&A



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INDUSTRIAL**

**DEFENSE**

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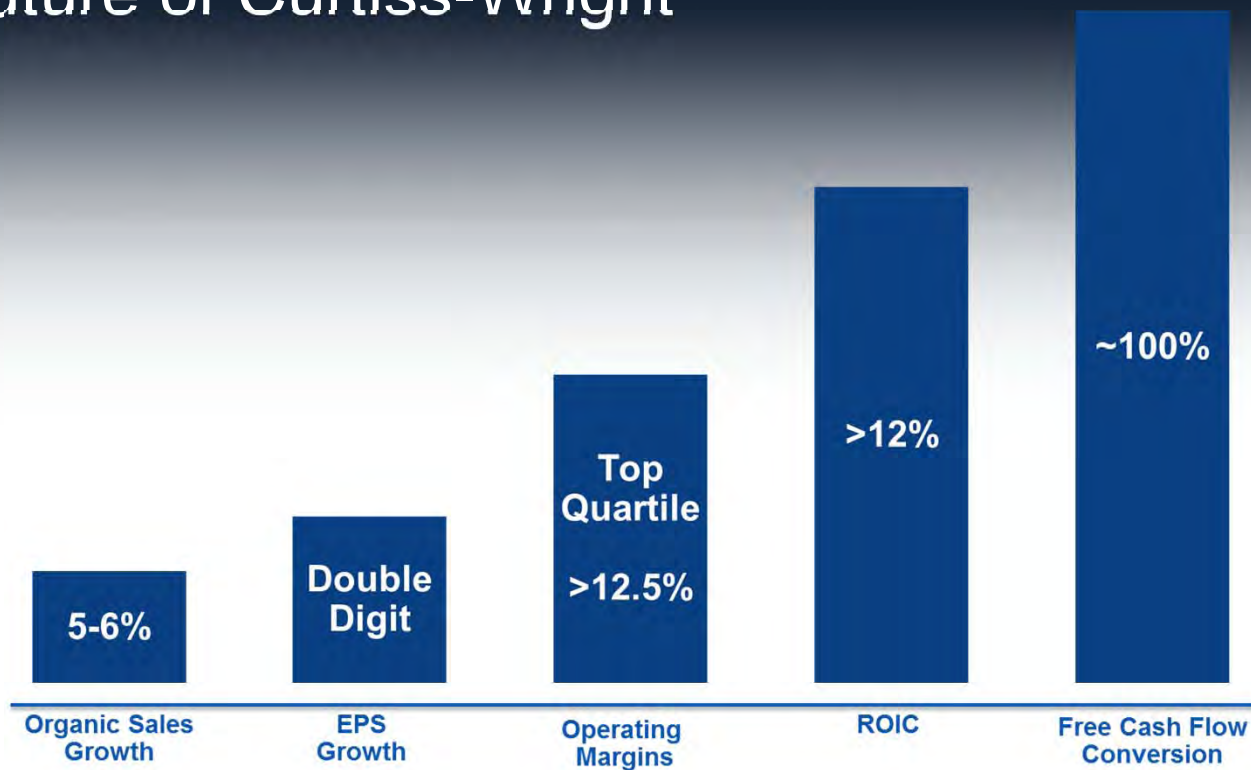


# Summary

Dave Adams  
President and CEO

**CURTISS  
WRIGHT**

# The Future of Curtiss-Wright



- We're at an inflection point in our company
- Leading positions in key markets
- Talented and experienced leadership team
- Targeting top quartile performance

**One Curtiss-Wright - A Unique Opportunity for Value**