CURTISS WRIGHT CORP

FORM 10-Q
(Quarterly Report)

Filed 8/4/1997 For Period Ending 6/30/1997

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

SECURITIES and EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 1997

Commission File Number 1-134

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

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

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

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

Yes X No

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

Common Stock, par value $1.00 per share: 5,087,280 shares (as of July 31, 1997)

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

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

(In thousands)

	June 30, 1997	December 31, 1996
Assets:		
Cash and cash equivalents	$ 4,652	$ 6,317
Short-term investments	58,263	55,674
Receivables, net	46,223	37,708
Deferred tax asset	9,316	8,769
Inventories	46,395	46,987
Other current assets	1,942	2,378
Total current assets	166,791	157,833
Property, plant and equipment, at cost	214,902	210,230
Less, accumulated depreciation	150,081	146,268
Property, plant and equipment, net	64,821	63,962
Prepaid pension costs	36,736	35,016
Other assets	10,156	10,353
Total assets	$278,504	$267,164
Liabilities:		
Accounts payable and accrued expenses	$ 24,953	$ 25,206
Dividends payable	1,272	
Income taxes payable	5,861	3,189
Other current liabilities	14,253	14,021
Total current liabilities	46,339	42,416
Long-term debt	10,347	10,347
Deferred income taxes	9,247	8,686
Other liabilities	21,408	22,352
Total liabilities	87,341	83,801
Stockholders' equity:		
Common stock, $1 par value	10,000	10,000
Capital surplus	57,045	57,127
Retained earnings	309,202	299,740
Unearned portion of restricted stock	(477)	(608)
Equity adjustments from foreign currency translation	(3,489)	(1,506)
	372,281	364,753
Less, cost of treasury stock	181,118	181,390
Total stockholders' equity	191,163	183,363
Total liabilities and stockholders' equity	$278,504	$267,164

See notes to consolidated financial statements.

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

(In thousands except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1997	1996(1)	1997	1996(1)
Net sales	$107,560	$79,559	$54,412	$43,243
Cost of sales	71,791	53,162	35,287	29,089
Gross margin	35,769	26,397	19,125	14,154
Research and development costs	946	310	348	141
Selling expenses	2,910	3,230	1,454	1,612
General and administrative	16,653	12,047	8,293	6,120
Operating income	15,260	10,810	9,030	6,281
Investment income, net	1,848	1,535	1,210	1,107
Rental income, net	1,741	1,221	801	774
Other income (expense), net	(251)	(246)	(144)	18
Interest expense	189	193	116	96
Earnings before taxes	18,409	13,127	10,781	8,084
Provision for taxes	6,404	4,610	3,731	2,882
Net earnings	$ 12,005	$ 8,517	$ 7,050	$5,202
Weighted average number of common shares outstanding	5,085	5,078	5,085	5,078
Earnings per common share	$2.36	$1.68	$1.39	$1.02
Dividends per common share	$0.50	$0.50	$0.25	$0.25

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

See notes to consolidated financial statements.

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

(In thousands)

	Six Months Ended June 30	
	1997	1996
Cash flows from operating activities:		
Net earnings	$12,005	$ 8,517
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	4,948	4,472
Net gains on short-term investments	(1,070)	(316)
Increase in deferred taxes	14	573
Changes in operating assets and liabilities:		
Proceeds from sales of trading securities	135,263	187,303
Purchases of trading securities	(136,621)	(169,810)
Increase in receivables	(4,636)	(1,382)
Increase in inventory	(1,603)	(4,060)
Increase (decrease) in progress payments	(1,684)	73
Increase (decease) in accounts payable and accrued expenses	(253)	3,619
Increase in income taxes payable	2,672	80
Increase in other assets	(1,252)	(2,371)
Decrease in other liabilities	(873)	(1,503)
Other, net	(1,411)	(637)
Total adjustments	(6,506)	16,041
Net cash provided by operating activities	5,499	24,558
Cash flows from investing activities:		
Proceeds from sales of real estate and equipment	18	420
Additions to property, plant and equipment	(5,911)	(5,187)
Acquisition of Accessory Services business		(16,390)
Net cash used by investing activities	(5,893)	(21,157)
Cash flows from financing activities:		
Dividends paid	(1,271)	(2,539)
Net cash used by financing activities	(1,271)	(2,539)
Net increase (decrease) in cash and cash equivalents	(1,665)	862
Cash and cash equivalents at beginning of period	6,317	8,865
Cash and cash equivalents at end of period	$ 4,652	$ 9,727

See notes to consolidated financial statements.

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

	Common Stock	Capital Surplus	Retained Earnings	Unearned Portion of Restricted Stock Awards	Equity Adjustments from Foreign Currency Translation	Treasury Stock
December 31, 1995	$10,000	$57,141	$288,710	$(780)	$(1,330)	$181,562
Net earnings			16,109			
Common dividends			(5,079)			
Stock awards issued		10		(93)		(83)
Stock options exercised		(24)				(89)
Amortization of earnings portion of restricted stock				265		
Translation adjustments, net					(176)	
December 31, 1996	10,000	57,127	299,740	(608)	(1,506)	181,390
Net earnings			12,005			
Common dividends			(2,543)			
Stock options exercised		(82)				(272)
Amortization of earned portion of restricted stock				131		
Translation adjustment, net					(1,983)	
June 30, 1997	$10,000	$57,045	$309,202	$(477)	$(3,489)	$181,118

See notes to consolidated financial statements.

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

NOTES to CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS of PRESENTATION

Curtiss-Wright Corporation (the "Corporation") is a diversified multi-national manufacturing and service concern that designs, manufactures and overhauls precision components and systems and provides highly engineered services to the aerospace, automotive, shipbuilding, oil, petrochemical, agricultural equipment, power generation, metal working and fire & rescue industries. Operations are conducted principally by three wholly-owned subsidiaries:
Curtiss-Wright Flight Systems, Inc., Metal Improvement Company, Inc. and Curtiss-Wright Flow Control Corporation. The group's principal operations include three domestic manufacturing facilities, thirty-four Metal Improvement service facilities located in North America and Europe, and five component overhaul facilities.

The information furnished in this report has been prepared in conformity with generally accepted accounting principles and as such reflects all adjustments, consisting primarily of normal recurring accruals, which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Corporation's 1996 Annual Report on Form 10-K. The results of operations for these interim periods are not necessarily indicative of the operating results for a full year.

2. RECEIVABLES

Receivables, at June 30, 1997 and December 31, 1996, include amounts billed to customers and unbilled charges on long-term contracts consisting of amounts recognized as sales but not billed at the dates presented. Substantially all amounts of unbilled receivables are expected to be billed and collected within a year. The composition of receivables for those periods is as follows:

	(In thousands) June 30, 1997	December 31, 1996
Accounts receivable, billed	$49,109	$37,253
Less: progress payments applied	7,443	5,701
	41,666	31,552
Unbilled charges on long-term contracts	12,693	19,761
Less: progress payments applied	6,427	12,048
	6,266	7,713
Allowance for doubtful accounts	(1,709)	(1,557)
Receivables, net	$46,223	$37,708

3. INVENTORIES

Inventories are valued at the lower of cost (principally average cost) or market. The composition of inventories at June 30, 1997 and December 31, 1996 is as follows:

	(In thousands) June 30, 1997	December 31, 1996
Raw materials	$ 5,042	$ 4,653
Work-in-process	24,218	25,128
Finished goods	18,062	15,817
Inventoried costs related to U.S. Government and other long-term contracts	6,186	6,307
Total inventories	53,508	51,905
Less: progress payments applied, principally related to long-term contracts	7,113	4,918
Net inventories	$46,395	$46,987

4. ENVIRONMENTAL MATTERS

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

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

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

5. EARNINGS PER SHARE

Earnings per share were computed by dividing the applicable amount of earnings by the weighted average number of common shares outstanding during each period shown in the accompanying Consolidated Statements of Earnings. The assumed exercise of outstanding stock options had an immaterial dilutive effect on earnings per share in each respective period.

6. RECENTLY ISSUED ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings per Share" ("SFAS No. 128"). This statement simplifies the standards for computing earnings per share ("EPS"), making them comparable to international EPS standards and amends certain disclosure requirements regarding EPS. The Corporation plans to adopt this statement for interim and annual periods ending after December 15, 1997 which is the statement's effective date. The statement is not expected to have a material impact on the Corporation.

PART I - ITEM 2
CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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

RESULTS of OPERATIONS

Curtiss-Wright Corporation posted a 26% increase in sales and a 36% increase in consolidated net earnings for the second quarter of 1997, as compared with the second quarter of 1996. Net earnings of $7.0 million, or $1.39 per share for the 1997 period, represent the highest quarterly earnings per share amount achieved by the Corporation in seven years. In the aggregate, operating earnings totaled $9.0 million for the second quarter of 1997, a 44% increase over the same quarter of last year. Sales totaled $54.4 million for the second quarter of 1997 compared with sales of $43.2 million for the same prior year period. New orders received during the second quarter 1997 period also increased, totaling $53.4 million, compared with orders of $44.4 million received in the same period of 1996. Increases in sales, new orders and net earnings reflect the continued improvements generated by the Corporation's Aerospace & Marine segment, both in its traditional product lines and, to a lesser extent, as a result of its May 1996 acquisition of the Miami, Florida overhaul and repair facility.

For the first six months of 1997 the Corporation posted consolidated net earnings of $12.0 million, or $2.36 per share, a 41% improvement as compared with net earnings of $8.5 million, or $1.68 per share, posted for the first six months of 1996. Sales for the six-month 1997 period were $107.6 million, 35% higher than sales of $79.6 million posted in the same six-month period of 1996. Operating income rose 41%, to $15.3 million for the first six months of 1997, compared with operating income of $10.8 million for the same 1996 period. New orders received in the first half of 1997 totaled $99.0 million, compared with new orders of $82.6 million received during the first half of 1996. At June 30, 1997, the Corporation's backlog of unshipped orders totaled $98.8 million, compared with a backlog of $109.5 million at June 30, 1996.

Segment Performance
The Corporation's Aerospace & Marine segment posted substantially improved results for both the second quarter and first six months of 1997, when compared with those for the same periods of 1996. Sales increased 47% in the second quarter of 1997, to $40.4 million, from sales in the same quarter of the prior year, and totaled $77.6 million for the six-month 1997 period, 59% higher than the same six-month period of 1996. Operating income also increased substantially when comparing both the second quarter and first six months of 1997 with the same respective periods of 1996.

The Corporation posted significant increases in sales of its commercial aerospace actuation systems when comparing the second quarter and first half of 1997 with the same respective periods of 1996. Sales increases in original equipment manufacturing (OEM) products are attributable to the high level of production being generated for Boeing jetliners. New Boeing programs and increased build rates on traditional programs have contributed to a production sales growth of 149% over the same six-month period of 1996. Despite significant increases in sales associated with the new Boeing programs, operating income was partially impaired due to high initial manufacturing costs. Sales of military actuation products declined in the aggregate for the Corporation's three major development programs (F-22, the V-22 and the F/A-18 E/F aircraft) reflecting the conclusion of the design portion of these programs. Each of these development programs has achieved substantial levels of completion and further cost overruns should be limited. Declines in development programs were partially offset by increased sales in support of Lockheed Martin's foreign military F-16 program.

Aerospace & Marine sales and operating income improvements are also reflective of a significantly high volume of work being done by our metal-treating businesses. Sales of metal-treating services to aerospace customers have increased worldwide when comparing 1997 results with the prior year.

In addition, segment results for the second quarter and first six months of 1997 have benefited from full-period contributions from the May 1996 Miami facility acquisition, although only a relatively small portion of the improved earnings in this segment are attributable to that facility. In the aggregate, sales of overhaul and repair services, including those of the Miami facility, totaled $19.6 million and accounted for 25% of Aerospace & Marine segment sales for the first six months of 1997, compared with 18% for the same respective period of 1996.

New Orders received by the Aerospace & Marine segment totaled $36.7 million for the second quarter and $66.2 million for the first six months of 1997, increases of 22% and 25%, respectively, from orders received in those same periods of 1996. The increases in new orders for both periods are primarily due to a higher volume of metal- treating services and orders resulting from the Miami operation.

The Industrial segment posted slight declines in sales for both the second quarter and first six months of 1997, as compared to the same respective periods of 1996. Sales of industrial products totaled $14.0 million for the second quarter of 1997, 11% below sales posted in the same prior year period, while sales for the six-month 1997 period totaled $30.0 million, just 2% below the prior year. Operating income also declined slightly for both the second quarter and first six months of 1997 in comparison to results of the same 1996 periods. Declines in sales and operating income for the Industrial segment are attributed, in part, to a general softening of automotive and other markets serviced by our metal treating businesses. Sales of commercial valve products also declined for the second quarter and first six month periods of 1997, as compared with those same periods of 1996, due to a non-recurrence of the high level of field service and spare parts sales experienced in the 1996 periods. For the second quarter of 1997, sales and operating earnings of the Industrial segment benefited, in part, from a new flapper valve program for the refrigeration industry which started in the latter part of 1996. New orders received by the Industrial segment in the second quarter of 1997 increased 16% over orders received in the second quarter of 1996 and improved 10% when comparing the first half of 1997 with the same prior year period. The Corporation received commercial nuclear valve orders from Korea totaling more than $3.0 million during the first half of 1997 and expects to receive additional orders totaling approximately $2.0 million during the third quarter of 1997.

Non-Operating Revenue and Costs
The Corporation recorded other non-operating net revenue totaling $3.3 million for the first six months of 1997, compared with $2.5 million for the first six months of 1996. Non-operating net revenue totaled $1.9 million for the second quarter of both 1997 and 1996. For the six-month period of 1997, net rental income improved $.5 million, as compared to the prior year period, driven by an increase in occupancy at the Corporation's Wood-Ridge, New Jersey Business Complex and a non-recurrence of high maintenance costs at the complex due to the severe winter of 1996. Investment income increased slightly in the second quarter and first six month periods of 1997 over the same respective periods of 1996.

While the dollar amount of a administrative expenses for the Corporation as a whole increased for the second quarter and first six month periods of 1997, as compared with those same respective periods of 1996, in the aggregate, such expenses have remained largely consistent as a percentage of sales for both the 1997 and 1996 periods. Impacting six-month 1997 administrative costs were increased charges for legal services provided in defense or pursuit of environmental and related claims, offset to an extent by higher accrued income generated from the Corporation's overfunded pension plan. Net pension income increased slightly, totaling $1.8 million for the first half of 1997, compared with $1.5 million for the first half of 1996.

Corporation Expansion
The Corporation recently entered into an exclusive long-term requirements agreement to provide shot-peening services on aircraft engine parts for a major customer. In conjunction with the agreement, the Corporation is preparing to further expand its metal-treating operations later this year, after having already expanded its international operations by opening a facility in Belgium earlier this year. A second facility in Germany is scheduled to open in the third quarter of 1997. Domestic metal- treating capabilities are also being expanded by the opening of an additional facility in Kansas. This new facility, the third metal-treating facility in Kansas, is expected to be operational later this year. In addition, two other domestic metal-treating facilities are moving to larger quarters, having outgrown their current locations.

The Corporation has also expanded its Accessory Services business to better service the global aerospace market. During the second quarter of 1997, the

Corporation received approval from the Singapore Trade and Development Board to open an aerospace parts, distribution and sales center in Singapore. This represents the fifth facility utilized globally by the Corporation to service the aerospace overhaul and repair market. The establishment of the Singapore office follows the recent establishment of a sales office in London, England to aggressively pursue European opportunities for both OEM and overhaul business.

CHANGES IN FINANCIAL CONDITION:

Liquidity and Capital Resources:
The Corporation's working capital was $120.5 million at June 30, 1997, a 4% increase from working capital at December 31, 1996 of $115.4 million. The ratio of current assets to current liabilities was 3.60 to 1 at June 30, 1997, compared with a current ratio of 3.72 to 1 at December 31, 1996. Cash, cash equivalents and short-term investments totaled $62.9 million in aggregate at June 30, 1996, a slight increase from $62.0 million at the prior year end.

Changes in working capital primarily reflect an increase in accounts receivable caused by significantly higher sales levels. Gross inventory also increased due to a high level of finished goods maintained at our component overhaul and repair businesses but was offset by increased progress payments received under long-term government contracts. Partially offsetting the increase in working capital was an increase in income taxes payable at June 30, 1997, from December 31, 1996, and accrued dividends payable for the second quarter of 1997.

The Corporation continues to maintain its $22.5 million revolving credit lending facility and its $22.5 million short-term credit agreement, which provide additional sources of capital to the Corporation. The revolving credit agreement, of which $7.8 million remains unused at June 30, 1997, encompasses various letters of credit issued primarily in connection with outstanding industrial revenue bonds. There were no cash borrowings during the first half of 1997 and no outstanding balances for borrowed funds under the agreement at June 30, 1997.

During the first six months of 1997, internally generated funds were adequate to meet capital expenditures of $5.9 million. Expenditures incurred during the first half of 1997 were primarily for machinery and equipment at the Corporation's newly expanded Shelby, North Carolina facility and expenditures related to the opening of a metal- treating facility in Belgium. Projected funds from operating sources and the Corporation's short-term investments are expected to be more than adequate in 1997 to cover the costs of anticipated capital expenditures, environmental remediation costs and planned expansion. Capital expenditures of approximately $7.3 million are anticipated for the balance of the year along with $3.1 million of anticipated expenditures connected with environmental remediation programs at the Corporation's Wood-Ridge, New Jersey Business Complex.

Recently Issued Accounting Standards:
As discussed in Note 6 to the Consolidated Financial Statements, the Corporation plans to adopt SFAS No. 128, "Earnings per Share," for interim and annual periods ending after December 15, 1997 as required by the statement. The adoption of SFAS No. 128 is not expected to have a material impact on the Corporation.

FORWARD-LOOKING STATEMENTS

Because forward-looking statements involve risks and uncertainties, actual results may differ materially from those which are expressed or implied. Such statements in this report include those contained in (a) the Environmental Matters note to the Consolidated Financial Statements, (b) projections regarding development costs and orders in the Results of Operations portion of the Management Discussion and Analysis ("MD&A") section hereof and (c) information relating to future capital expenditures contained in the Changes in Financial Condition portion of the MD&A section hereof. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, (i) unanticipated environmental remediation expenses or claims; (ii) a reduction in anticipated orders; (iii) an economic downturn; (iv) changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations;
(v) changes in the competitive marketplace and/or customer requirements; (vi) an inability to perform customer contracts at anticipated cost levels and (vii) other factors that generally affect the business of aerospace and industrial companies.

PART II - OTHER INFORMATION

Item 6. EXHIBITS and REPORTS on FORM 8-K

(a) Exhibits

Exhibit 10 - Material Contracts (Page 17)

Exhibit 27 - Financial Data Schedules (Page 20)

(b) Reports on Form 8-K

The Registrant did not file any report on Form 8-K during the quarter ended June 30, 1997.

SIGNATURES

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

CURTISS-WRIGHT CORPORATION
(Registrant)

By: /s Robert A. Bosi
Robert A. Bosi
Vice President - Finance

By: /s Kenneth P. Slezak
Kenneth P. Slezak
Controller

Dated: August 4, 1997

EXHIBIT 10

CURTISS-WRIGHT CORPORATION
RETIREMENT BENEFITS
RESTORATION PLAN
(as amended April 15, 1997)

I. Purpose of Plan

The purpose of this Plan is solely to provide a means of paying those benefits that would be payable under the Curtiss-Wright Corporation Retirement Plan (the "Retirement Plan") were it not for the limitations now or hereafter imposed by any provision of the Internal Revenue Code (the "Code") or the Employee Retirement Income Security Act of 1974 ("ERISA").

II. Administration of the Plan

This Plan shall be administered by the Executive Compensation Committee (the "Committee") of the Board of Directors of Curtiss Wright Corporation (the "Corporation"). All questions arising in connection with the interpretation and application of this Plan shall be determined by the Committee and such determinations of the Committee shall be final, conclusive and binding upon all persons.

III. Participation in the Plan

Except to the extent provided in Article IV, hereof, all participants in the Retirement Plan shall be eligible to participate in this Plan whenever their benefits under the Retirement Plan as from time to time in effect would be limited as a result of any provision of the Code (including, but not limited to, Sections 401(a)(17) and 415 thereof) or ERISA.

IV. Restored Benefits

Each eligible participant in the Retirement Plan (and/or, to the extent consistent with this Plan and elections made hereunder, his spouse or other beneficiary under the Retirement Plan) shall receive a supplemental retirement benefit under this Plan equal to the excess, if any, of

(a) the benefit that would have been payable to him, her or them under the Retirement Plan, computed on the basis of the participant's:

(1) pre-September 1, 1994 basic salary and cash payments to the participant under the Corporation's Modified Incentive Compensation Plan (the "IC Plan"); plus

(2) his or her "compensation," as defined in the Retirement Plan, from and after September 1, 1994;

in either event calculated without regard to any Retirement Plan provision incorporating or reflecting (i) limitations imposed by Section 401 (a)(17) of the Code on the amount of compensation that may

be taken into account under the Retirement Plan or (ii) limitations imposed by
Section 415 of the Code or ERISA on the maximum amount of benefits payable under the Retirement Plan, over

(b) the benefit payable under the Retirement Plan, computed otherwise as above but limited by any provision incorporating or reflecting such Code or ERISA limitations.

The supplemental retirement benefit otherwise payable hereunder as related to periods of employment prior to September 1, 1994 shall be payable to or in respect of a participant only if, or to the extent that, participant during such period or periods made the contributions under this Plan required by Article V hereof.

The supplemental retirement benefit shall be payable at the same time and otherwise in accordance with all the terms and conditions applicable to the participant's benefit under the Retirement Plan except that the participant may make different elections under this Plan with respect to the forms in which payment is to be received than he or she makes under the Retirement Plan. The right of the participant to make different elections under this Plan than under the Retirement Plan is subject to the qualification that no election to take a single or partial lump sum under this plan shall be effective until sixty days after the election is made. Any actuarial or other adjustments of the amounts payable to an individual under this Plan shall be made on the same basis as such adjustments are or would have been made on the corresponding benefit under the Retirement Plan.

V. Contributions

For any period of employment prior to September 1, 1994 to be counted with respect to a participant's entitlement under this Plan the participant must have made contributions to the Corporation with respect to such period equal to 3% of that portion, if any, of his or her basic salary and cash payments to him or her under the IC Plan that, under Section 401(a) (17) of the Code, were not, or would not have been, permitted to be taken into account under the Curtiss-Wright Corporation Contributory Retirement Plan. For purposes of the preceding sentence the term "basic salary" shall have the meaning set forth in subparagraph 4(e) and the last unnumbered subparagraph of paragraph 4 of Article VIII of the Curtiss-Wright Corporation Contributory Retirement Plan as in effect on December 31, 1988. Amounts equivalent to interest shall accrue on a participant's contributions under this Plan at the same rate, to the same extent and under the same circumstances (except as provided in paragraph B of Article VI of this Plan) as shall apply to interest on the participant's contributions under the Curtiss-Wright Corporation Contributory Retirement Plan.

VI. Miscellaneous

A. This Plan may be amended at any time from time to time or terminated at any time by the Board of Directors of the Corporation, provided however, that no amendment or termination shall reduce or eliminate any benefit to the extent that the right thereto shall have accrued prior to such amendment or termination. In the event of a termination or an amendment that would reduce or eliminate any such accrued benefit then or thereafter payable pursuant to this Plan the Corporation shall remain liable for the payment of the accrued benefits at substantially the same time and under substantially the same conditions as, the accrued benefits that would have been payable under this Plan.

B. All benefits provided for in this Plan shall be paid in cash from the general funds of the Corporation, without interest (except as provided in the last sentence of Article V of this Plan). No special or separate fund shall be established and no segregation of assets shall be made in connection with such benefits, the contributions by participants under the Curtiss-Wright Corporation Contributory Retirement Plan or amounts equivalent to interest. However, the Corporation may at its election establish a bookkeeping reserve in respect of its obligations hereunder. Nothing contained in this Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Corporation and any participant in this Plan or any other person. The rights that any participant in this Plan or any other person shall have to receive benefits hereunder shall be limited to the rights of an unsecured general creditor of the Corporation.

C. The benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution or levy of any kind, either voluntary or involuntary; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder shall be null and void and without effect.

D. Any reference in this Plan to Sections 401(a) (17) or 415 of the Code or to ERISA shall be deemed to apply to the same as they may from time to time be amended or supplemented.

E. Nothing in this Plan shall be construed as conferring upon any person any right to be continued as an employee or as affecting the right to discharge an employee.

F. This Plan shall be construed, administered and enforced according to the laws of the State of New Jersey.

ARTICLE 5

MULTIPLIER: 1000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1997
PERIOD END	JUN 30 1997
CASH	4,652
SECURITIES	58,263
RECEIVABLES	47,692
ALLOWANCES	1,469
INVENTORY	46,395
CURRENT ASSETS	166,791
PP&E	214,902
DEPRECIATION	150,081
TOTAL ASSETS	278,504
CURRENT LIABILITIES	46,339
BONDS	10,347
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	10,000
OTHER SE	181,163
TOTAL LIABILITY AND EQUITY	278,504
SALES	107,560
TOTAL REVENUES	111,149
CGS	71,791
TOTAL COSTS	92,300
OTHER EXPENSES	251
LOSS PROVISION	100
INTEREST EXPENSE	189
INCOME PRETAX	18,409
INCOME TAX	6,404
INCOME CONTINUING	12,005
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	12,005
EPS PRIMARY	2.36
EPS DILUTED	2.36

End of Filing