UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

or

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission File Number 1-134

CURTISS-WRIGHT CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	13-0612970
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4 Becker Farm Road, Roseland, NJ	07068
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value $1 per share	New York Stock Exchange
Class B common stock, par value $1 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [_]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes [X] No [_]

The aggregate market value of the voting stock held by non-affiliates* of the Registrant as of June 30, 2003, was $630.4 million.

The number of shares outstanding of each of the Registrant's classes of Common Stock as of March 3, 2004:

Class	Number of Shares

Common stock, par value $1 per share	12,168,282
Class B common stock, par value $1 per share	8,764,246

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Annual Report to Stockholders of the Registrant for the year ended December 31, 2003, are incorporated by reference into Parts I, II, III, and IV. Portions of the Proxy Statement of the Registrant with respect to the 2004 Annual Meeting of Stockholders are incorporated by reference into Part III.

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* All directors and executive officers of the Registrant have been excluded from the amount shown in accordance with the definition of the term "affiliate" in the regulations promulgated pursuant to the Securities Exchange Act of 1934. See material referred to under Item 12, below.

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FORWARD-LOOKING INFORMATION

Except for historical information, this Annual Report on Form 10-K may be deemed to contain "forward-looking" information. Examples of forward-looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, earnings or loss per share, growth prospects, capital structure, and other financial terms, (b) statements of plans and objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking information. Such statements in this Annual Report include, without limitation, those contained in (a) Item 1. Business, (b) Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and (c) Item 8. Financial Statements and Supplementary Data including, without limitation, the Environmental Matters Note. Important factors that could cause the actual results to differ materially from those in these forward-looking statements include, among other items, the Corporation's successful execution of internal performance plans; performance issues with key suppliers, subcontractors, and business partners; the ability to negotiate financing arrangements with lenders; legal proceedings; changes in the need for additional machinery and equipment and/or in the cost for the expansion of the Corporation's operations; product demand and market acceptance risks; the effect of economic conditions; the impact of competitive products and pricing; product development, commercialization, and technological difficulties; unanticipated environmental remediation expenses or claims; capacity and supply constraints or difficulties; an inability to perform customer contracts at anticipated cost levels; changing priorities or reductions in the U.S. government defense budget; contract continuation and future contract awards; U.S. and international military budget constraints and determinations; and other factors that generally affect the business of companies operating in the Corporation's markets and/or industries.

INTRODUCTION

Pursuant to the Securities Exchange Act of 1934, the Registrant, Curtiss-Wright Corporation hereby files its Annual Report on Form 10-K for the fiscal year ended December 31, 2003. References in the text to the "Corporation," "Company," "Curtiss-Wright," or the "Registrant" include Curtiss-Wright Corporation and its consolidated subsidiaries unless the context indicates otherwise. References to the Corporation's "Annual Report" are to its 2003 Annual Report to Stockholders, which is attached hereto as Exhibit 13.

PART I

Item 1. Business.

Business Description

Curtiss-Wright Corporation was incorporated in 1929 under the laws of the State of Delaware. The Corporation reports its operations in three segments, motion control, flow control, and metal treatment, as described below. For a summary of the products and services and the major markets by segment, please refer to the information provided under the section "At a Glance" on page 29 of the Registrant's Annual Report, which is incorporated by reference in this Annual Report on Form 10-K.

Flow Control

This segment designs, manufactures, distributes, and services a broad range of highly engineered flow control products for severe service military and commercial applications. Military sales, primarily to the U.S. Navy as a subcontractor, comprised 56%, 42%, and 31% of segment sales in 2003, 2002, and 2001, respectively. Flow control products are used by the U.S. Navy, nuclear power plants, the oil and gas industry, and other commercial applications through the various business units discussed below.

In October 2002 the segment acquired the Electro-Mechanical Corporation ("EMD"), located in Cheswick, Pennsylvania. EMD is a world leader in the development, design, manufacturing, and qualification of critical-function, electro-dynamic solutions for the U.S. Navy, including pumps, advanced motors, generators, and secondary propulsors. EMD provides reactor and main coolant pumps, design engineering services, and purification pump motors to the nuclear U.S. Navy. Specific applications include the Los Angeles, Virginia, Trident, Ohio and Seawolf class submarines, and the CVN Aircraft Carrier. In addition, EMD provides ship service generators and secondary propulsion systems to the non-nuclear U.S. Navy, including the Destroyer program. EMD is strengthening its relationship with the Navy by teaming with Northrop Grumman in the design and development of major subsystems for the Navy's Air System Control Electro-Mechanical Aircraft Launch System (EMALS) for installation in its aircraft carrier fleet. Sales of pumps to the U.S. Navy represented 10% and 3% of consolidated revenue in 2003 and 2002, respectively.

Flow Control's Target Rock division located in East Farmingdale, New York, designs, manufactures, refurbishes, and tests highly engineered valves and related actuators and controllers. Target Rock valves are installed on every nuclear submarine and aircraft carrier commissioned by the U.S. Navy and it currently supplies all the relief valves utilized by the Naval Nuclear Propulsion Program. Current applications include the Virginia class submarine and aircraft carriers. Applications include various Navy submarine classes, such as Los Angeles, Trident, and Virginia, as well as Naval Aircraft Carrrier classes including the Nimitz. Target Rock valves are used to control the flow of liquids and gases and to provide safety relief in high-pressure applications. The U.S. Navy utilizes Target Rock valves in its fleet's nuclear propulsion systems. Recently, the segment has focused its attention on non-nuclear U.S. Navy business in an effort to diversify the product offering. Growth in this sector has been generated through sales from aircraft launch shuttles and control valves for aircraft carriers and ball valves for submarines. The Peerless Instrument division, also located in East Farmingdale, New York, designs, develops, manufactures, tests, and services specialized instrumentation and control equipment, which includes plant instrumentation for primary and secondary controls, steam generator control equipment, and valve and heater controls. Sales are made by responding directly to requests for proposals from customers.

The facilities listed above also provide products to the commercial markets, mainly the nuclear power industry. The Target Rock division provides its valves to owners and operators of commercial power utilities who use them in new and existing nuclear and fossil fuel power plants. EMD supplies reactor coolant pumps, seals, motors, and control rod drive mechanisms to similar end users. Over the past few years, all newly built nuclear power plants have been outside the U.S., and segment sales for such plants have been mainly to South Korea and Taiwan. A small investment has been made in South Korea to gain a foothold in the commercial nuclear valve market in Asia.

The segment's Enertech division in Brea, California designs, manufactures, and distributes flow control products for sale into global commercial nuclear power markets. The product lines include snubbers, advanced valves, valve actuators, pumps, and test and diagnostic equipment, as well as related diagnostic services. In addition, this operation provides training, on-site services, staff augmentation, and engineering programs relating to nuclear power plants.

The flow control segment's Farris, Solent & Pratt, DeltaValve, and Tapco divisions operate facilities in the U.S., Canada, and the U.K. that design, engineer, and manufacture spring-loaded and pilot operated pressure-relief valves as well as metal-seated industrial gate, butterfly, and ball valves used in standard and advanced applications including high-cycle, high-pressure, extreme temperature, and corrosive plant environments within the petroleum, petrochemical, chemical, and process industries. Included in these products is the recent commercialization of the DeltaGuard'TM' coke-drum unheading device, which represents a significant advancement in coke-drum unheading technology. This new DeltaGuard'TM' technology is safe, easy to operate, reliable, cost effective, and can be configured for any coke-drum application. The flow control segment also provides inspection, installation, repair and maintenance, and other field services for harsh environment flow control systems.

Other products within the flow control segment produced at its Sprague and Enertech divisions include hydraulic power units and components primarily for the automotive and entertainment industries, specialty hydraulic and pneumatic valves, air-driven pumps, and gas boosters used in various industrial applications as well as in directional control valves for truck transmissions and car transport carriers. Recently, the EMD division expanded its product offering to include both subsea pumping and hazardous waste pumping systems.

Strong competition in flow control products and services is encountered from a large number of domestic and foreign sources. Competition occurs on the basis of technical expertise, price, delivery, contractual terms, previous installation history, and reputation for quality. Delivery speed and the proximity of service centers are important with respect to aftermarket products. Sales to commercial end users are accomplished by a combination of direct sales employees and manufacturers' representatives located in the segment's primary market areas. This representation provides sales coverage of nuclear power utilities, principal boiler and reactor builders, architectural engineers, and hydrocarbon processing industry and chemical processing industry plants worldwide. For its military contracts, the segment receives requests for quotes from prime contractors as a result of being an approved supplier for Naval Propulsion System Pumps and Valves. Sales engineers support non-nuclear sales activities. The segment uses the direct distribution basis for military and commercial valves and associated spare parts.

Backlog for this segment at December 31, 2003, was $317.8 million, of which 30% will be shipped after one year, compared with $304.3 million at December 31, 2002. Additionally, 34% of this segment's backlog as of December 31, 2003 is comprised of orders with the U.S. Navy through its prime contractor, Bechtel Group, Inc. Sales by this segment to Bechtel accounted for 34%, 30%, and 22% of total segment sales in 2003, 2002, and 2001, respectively, or 16%, 10%, and 6% of the Corporation's consolidated revenue. The loss of this customer would have a material adverse effect on the business of this segment and the Corporation. Additionally, sales to the segment's second largest customer, to which Curtiss-Wright is also a subcontractor for the U.S. Navy, represented 16% in 2003, 7% in 2002, and 0% in 2001 of total segment sales. The loss of this customer would have a material adverse effect on the business of this segment. None of the business of this segment is seasonal. Raw materials are generally available in adequate quantities.

Motion Control

This segment designs, develops, manufactures, and maintains sophisticated, high-performance mechanical actuation and drive systems, mission-critical electronic component and control systems, and sensors for the aerospace, defense, and industrial equipment markets. This segment consists of three main operating divisions: mechanical systems, sensors and drives, and electronic systems.

The mechanical systems division's product offering to the aerospace industry consists of electro-mechanical and hydro-mechanical actuation components and systems, which are designed to position aircraft control surfaces, or to operate canopies, cargo doors, weapons bay doors, or other devices used on aircraft. Aircraft applications include actuators and electronic control systems and sensors for the Boeing 737, 747, 757, 767, 777, Airbus A320, A330, and A340 civil air transports, the Lockheed Martin F-16 Falcon fighter jet, the Boeing F/A-18 fighter jet, the F/A-22 Raptor fighter jet, the Bell Boeing V-22 Osprey, and the Sikorsky Black Hawk and Seahawk helicopters. The motion control segment is also developing flight control actuators for the Engineering and Manufacturing Development phase of Lockheed Martin's F-35 Joint Strike Fighter (JSF) program. The JSF is the next-generation fighter aircraft being designed for use by all three branches of the U.S. military as well as several foreign governments. The U.S. Air Force's Unmanned Combat Air Vehicle (UCAV) weapons bay door system is another major development effort for the Corporation. The manufacturing of these applications is performed at the Shelby, North Carolina facility.

Revenue from these products accounted for 9%, 14%, and 20% of the Corporation's consolidated revenues in 2003, 2002, and 2001, respectively.

As a related service within the mechanical systems division, Curtiss-Wright also provides commercial airlines, the military, and general aviation customers with component overhaul and repair services. The services provided include the overhaul and repair of hydraulic, pneumatic, mechanical, electro-mechanical, and electronic components, aircraft parts sourcing, and component exchange services for a wide array of aircraft. The division provides these services from facilities in Gastonia, North Carolina, Miami, Florida, and a marketing and distribution facility in Singapore.

The mechanical systems division primarily markets its aerospace products using a direct sales force. These products are sold in competition with a number of other suppliers, some of whom have broader product lines and greater financial, technical, and human resources. The competitive environment for this division is focused on a short list of players with recent strategic trends at the prime contractor level resulting in a smaller market of vertically integrated suppliers, with the prime contractors specializing in integration and final assembly. Price, technical capability, performance, service, and "overall value" are the primary forces of competition with a focus on offering solutions to perform control and actuation functions on a limited number of new production programs. This division's overhaul and repair services are sold in competition with a number of other overhaul and repair providers with a focus on quality, delivery, and price. Marketing for overhaul and repair services is accomplished through independent sales representatives and by direct sales employees.

The sensors and drives division designs, manufactures and distributes electro-mechanical and electro-hydraulic actuation components and systems, including electronic controls designed for the military tracked and wheeled vehicle, high-speed tilting train, and commercial marine propulsion markets. These products, which are designed and manufactured at the division's facility in Switzerland, primarily consist of turret aiming and stabilization and suspension systems for armored military vehicles sold to defense equipment manufacturers, and tilting systems for high-speed train applications. The products are sold using a direct sales force to customers primarily in Western Europe, Southeast Asia, and South Africa.

Additionally, the sensors and drives division develops and manufactures position and fire detection sensors and systems, electronic control hardware, air data computers, joysticks, and other electronics for the military and commercial aerospace and industrial markets through its facilities in the U.K. and the U.S. These products include Linear Variable Displacement Transducers ("LVDTs"), multi-purpose flight recorders, solenoids, potentiometers, joysticks, and faders. This division sells its products primarily to prime contractors and system integrators, both directly and through a network of independent sales representatives on a worldwide basis.

During 2003 the segment added to the sensors and drives division by acquiring the assets of Collins Technologies and acquiring the outstanding stock of Novatronics Inc. and Pickering Controls Inc. These acquisitions expanded the segment's market share of LVDTs, entered the segment into the Rotary Variable Displacement Transducers market, and helped establish the segment's presence for these products in North America.

Competition with the sensor and drives division, especially in the aerospace market, is increasingly being driven by price concerns. The ability to service the customer with superior performance and quality is expected of all vendors, but downward pricing pressure is emerging as a key discriminator.

The electronics division designs, develops, and manufactures mission-critical electronic control systems primarily for defense markets. Mission-critical electronic control products include electronic components and subsystems used in fire control, aiming and stabilization, munitions loading, and environmental processors for military ground vehicles. These products are used on demanding combat platforms including the Bradley fighting vehicle, the Abrams M1A2/A3 tank, and the Brigade Combat Team Interim Armored Vehicle, which is part of the U.S. Army's modernization and transformation efforts. The electronics division also provides the mission management, flight control computers, and the sensor management units used on the U.S. Air Force Global Hawk, a high-altitude and high-endurance unmanned aerial vehicle. This division's products are manufactured at the Vista Controls ("Vista") Littleton, Massachusetts and Santa Clarita, California facilities. Vista sells their products primarily to the prime contractors and subsystem suppliers, both directly and through a network of independent sales representatives.

This segment has a licensing agreement with Viisage Technology, Inc. ("Viisage"), a supplier of facial-recognition technology and identification systems, to market and sell their facial-recognition solutions to all agencies associated with the U.S. Department of Defense. Viisage is a related party of the former owner of Vista. The motion control

segment also has a license to manufacture and distribute a Quick Reaction Perimeter Intrusion Detection (QUPID) device, which is a unique volumetric sensor, featuring low power and low cost, and which is easily deployed. It has an extremely low, false alarm rate and is easily integrated with other sensor identification and assessment systems. The product is currently under review by the FCC and NTIA for waiver under Part 15 ultra-wideband radar rules.

During 2003 the motion control segment expanded its electronics division by acquiring the assets of Peritek Corporation and entering into a technology licensing and marketing collaboration agreement with DNA Computing Solutions, thus enhancing its presence in standard, commercially available computing technologies, referred to as commercial-off-the-shelf, or COTS, for graphic board and ruggedized digital signal processing products. Also in 2003 the segment added digital switches, high-speed data streaming interfaces, and other related devices to the defense aerospace product offering through the acquisition of the outstanding shares of Systran Corporation ("Systran"). These devices are utilized in applications such as radar and sonar systems, high-speed video transfer, and other signal intelligence devices.

Competition in the electronic systems division has changed from traditional board competitors to subsystem and system providers selling to prime and second tier defense and aerospace companies. Competition in this market is based on quality of technology, price, and delivery times. Systran competes in the market place by developing customized applications for each of its products, offering broad software driver support, providing special software ports, and offering rugged products, with a lesser focus on price.

On January 31, 2004, the segment acquired the outstanding shares of Dy 4 Systems, Inc. ("Dy 4"). Dy 4 has a significant presence in ruggedized, embedded computing solutions for the defense and aerospace industries. Using COTS products, Dy 4 customizes the products to perform reliably in rugged conditions, such as extreme temperature, terrain and/or speed. Dy 4's product mix includes single board computers, digital signal processing, communications and Input/Output products, and graphics output. The acquisition increases the segment's presence in embedded computing solutions for the military, medical, and industrial controls markets.

Sales by this segment to the Boeing Company in 2003, 2002, and 2001 accounted for 11%, 15%, and 32%, respectively, of total segment revenue, or 4%, 7%, and 13% of the Corporation's consolidated revenue. The loss of the Boeing Company as a customer would have a material adverse effect on the motion control segment. The U.S. Government direct and end use sales of this segment in 2003, 2002, and 2001, accounted for 56%, 49%, and 26%, respectively, of total segment sales. Although the loss of this business would also have a material adverse affect on this segment, no single prime contractor to the U.S. Government through which this segment is a subcontractor provided greater than 10% of the motion control segment revenue during any of the last three years.

Backlog for this segment at December 31, 2003, was $186.3 million, of which 17% will be shipped after one year, compared with $173.2 million at December 31, 2002. None of the business of this segment is seasonal. Raw materials are generally available in adequate quantities from a number of suppliers. However, this segment utilizes sole source suppliers, the failure and/or inability of which to provide product to this segment, could have an adverse impact on the Corporation's financial performance. While alternatives could be identified to replace a sole source supplier, a transition could result in increased costs and manufacturing delays.

Metal Treatment

This segment provides approximately 50 metal treatment services, with its principal services being shot peening and heat treating. Shot peening is the process by which the durability of metal parts are improved by the bombardment of the part's surface with spherical media such as steel shot or ceramic or glass beads to compress the outer layer of the metal. Revenue of shot peening services in 2003, 2002, and 2001 accounted for 12%, 15%, and 24%, respectively, of the Corporation's consolidated revenues. Heat treating is a metallurgical process of subjecting metal objects to heat and/or cold, or otherwise treating the material to change the physical and/or chemical characteristics or properties of the material. These processes are used principally to improve the service life, strength, and durability of metal parts. They are also used to form curvatures in metal panels, which are assembled as wingskins of commercial and military aircraft, and to manufacture reed valves used in compressors. The segment provides these services to a broad spectrum of customers in various industries, including aerospace, automotive, construction equipment, oil and gas, and metal working. During 2003 the metal treatment segment increased its share of the shot peening market through the acquisition of selected net assets of Advanced Material Process Corporation ("AMP"). AMP is located in Wayne, Michigan and primarily services the automotive market in the Detroit area.

In April 2003 the segment entered the coatings market with the acquisition of selected assets of E/M Coatings Solutions ("E/M Coatings"). Coatings consist of the application of primarily solid film lubricant coatings, which are designed to enhance the performance of components used in a broad range of products and industries. The method of application is by air spray or by a dipping and spinning process for bulk applications.

In addition to shot peening, heat treating, and coatings, other metal treatment services which are provided on a job shop basis include shot peen forming, laser peening, wet finishing, chemical milling, and reed valve manufacturing. Working in conjunction with Lawrence Livermore National Laboratory, the metal treatment segment has developed an advanced metal surface treatment process utilizing laser technology. The new laser process is being used in production to extend the life of critical turbine engine components. Future applications include additional turbine engine components and potentially wing skin forming, allowing for placement of more extreme aerodynamic curvatures of wing skins of greater thickness. The segment opened a laser peening facility in the U.S. in 2002 and another in the U.K. during 2003.

Through a combination of acquisitions and new plant openings, this segment continues to increase its network of regional facilities. Operations are now conducted from 53 facilities located in the United States, Canada, England, France, Germany, Sweden, and Belgium. The services and products of this segment are marketed directly by employees of the segment. Although numerous companies compete with the segment in this field and many customers have the resources to perform such services themselves, Curtiss-Wright believes that its technical knowledge and quality of workmanship provide a competitive advantage. The segment competes on the basis of quality, service, and price.

The backlog of this segment as of December 31, 2003, was $1.4 million, all of which is expected to be recognized in the first quarter of 2004, compared with $1.0 million as of December 31, 2002. Due to the nature of the metal treatment services provided by this segment, it operates with a very limited backlog of orders and services that are provided primarily on newly manufactured parts. Thus, the backlog of this segment is not indicative of future sales and as a result, the segment's sales and profitability are closely aligned with the general industrial economic conditions and, in particular, the commercial aerospace market.

The business of this segment is not seasonal. Raw materials are generally available in adequate quantities from a number of suppliers, and the segment is not materially dependent upon any single source of supply. There are no significant working capital requirements outside of normal industry accounts receivable and inventory turnover. The segment's largest customer accounted for 8%, 5%, and 13% of segment sales during 2003, 2002, and 2001, respectively. Although the active customer base is in excess of 5,000, the loss of this customer would have a material adverse effect on this segment.

Risk Factors Relating to the Corporation's Business

Listed below are the risk factors of the Corporation's business, as required by rule 503 (c) of Regulation S-K.

Amount and risks of government business

A significant portion of the Corporation's revenues are derived from defense contracts or subcontracts with domestic and foreign government agencies, of which a significant portion is attributed to U.S. Navy procurements. The development and success of the Corporation's business in the future will depend upon the continued willingness of the U.S. Government to commit substantial resources to such defense programs and, in particular, upon continued purchases of the Corporation's products.

The Corporation's business with the U.S. Government is subject to various risks, including termination of contracts at the convenience of the U.S. Government; termination, reduction or modification of contracts or subcontracts in the event of changes in the U.S. Government's requirements or budgetary constraints; shifts in spending priorities; and when the Corporation is a subcontractor, the failure or inability of the prime contractor to perform its prime contract. Certain contract costs and fees are subject to adjustment as a result of audits by government agencies. In addition, all defense businesses are subject to risks associated with the frequent need to bid on programs in advance of design completion, which may result in unforeseen technological difficulties and/or cost overruns.

Multi-year U.S. Government contracts and related orders are subject to cancellation if funds for contract performance for any subsequent year become unavailable. In addition, if certain technical or other program

requirements are not met in the developmental phases of the contract, then the follow-on production phase may not be realized. Upon termination, other than for a contractor's default, the contractor normally is entitled to reimbursement for allowable costs, but not necessarily all costs, and to an allowance for the proportionate share of fees or earnings for the work completed. Foreign defense contracts generally contain comparable provisions relating to termination at the convenience of the foreign government.

Reduced spending in defense industry

These reductions may or may not have an effect on the Corporation's programs; however, in the event expenditures for products of the type manufactured by the Corporation are reduced and not offset by greater foreign sales or other new programs or products, there will be a reduction in the volume of contracts or subcontracts awarded to the Corporation. Unless offset, such reductions would adversely affect the Corporation's earnings.

Limited term of contracts

The Corporation's contracts with the U.S. Government or a prime contractor of the U.S. Government ("U.S. Government Contracts") are for varying fixed terms, and there can be no assurance that a renewal or follow-on contract will be awarded to the Corporation by the U.S. Government or the prime contractor upon the expiration of any such contract. The Corporation's U.S. Government Contracts account for a significant portion of the Corporation's revenues. The loss of revenue resulting from the failure to obtain a renewal or follow-on contract with respect to any significant contract or a number of lesser contracts, in either case without the substitution of revenues from the award of new contracts, would have a material adverse effect upon the Corporation's results of operations and financial position. In addition, from time to time the Corporation enters into U.S. Government Contracts with a fully funded backlog, but in which the final price per unit may not be determined until sometime in the future. If the price per unit, which is ultimately determined, is significantly less than anticipated by the Corporation, the net revenues of the Corporation could be adversely affected.

Terror attacks, war, or other disturbances

Continued terrorist attacks, war, or other disturbances could lead to further economic instability and decreases in demand for the Corporation's products, which could have a material adverse effect on its business, financial condition, and results of operations.

The terrorist attacks of September 11, 2001, caused instability in the global financial markets. The disruption of the Corporation's business as a result of the terrorist attacks of September 11 included a decrease in customer demand in the commercial aerospace market for its products and overhaul and repair services. The business activity levels in the third and fourth quarters of 2001 dropped as a result of these attacks, and continued to impact the results of operations in 2002 and 2003. Since the metal treatment segment operates with a limited backlog of unfilled orders, reductions in order activity very quickly reduces sales and profitability of this segment and could adversely affect the revenue of the Corporation. The long-term effects of the September 11 attacks on the Corporation are unknown. These attacks and the U.S. Government's continued efforts against terrorist organizations may lead to additional armed hostilities or to further acts of terrorism and civil disturbance in the U.S. or elsewhere, which may further contribute to economic instability and could have a material adverse effect on the Corporation's businesses, financial condition, and results of operations.

Reliance on suppliers

The Corporation's manufacturing process for its products often consists of the assembly of purchased components and testing of the product at various stages in the assembly process.

Although materials and purchased components generally are available from a number of different suppliers, several suppliers are the Corporation's sole source of certain components. If a supplier should cease to deliver such components, other sources probably would be available. However, added cost and manufacturing delays might result. The Corporation has not experienced significant production delays attributable to supply shortages.

Acquisitions

The Corporation's growth strategy includes acquisitions. The Corporation's markets primarily include mature industries. As a result, its historical growth has depended, and its future growth is likely to continue to depend in large part on its acquisition strategy and the successful integration of acquired businesses into the Corporation's existing operations. Management intends to continue to seek additional acquisition opportunities both to expand into new markets and to enhance the Corporation's position in existing markets throughout the world. However, the Corporation may not be able to successfully identify suitable candidates, negotiate appropriate acquisition terms, obtain financing which may be needed to consummate such acquisitions, complete proposed acquisitions, successfully integrate acquired businesses into its existing operations or expand into new markets. In addition, any acquisition, once successfully integrated, may not perform as planned, be accretive to earnings, or prove to be beneficial to the Corporation's operations and cash flow.

Competition

The markets served by the Corporation are highly competitive and the competition may have greater resources than the Corporation. This competition could limit the volume of products sold and reduce operating margins.

Many of the Corporation's products are sold in highly competitive markets. Management believes that the principal points of competition in these markets are product quality, price, design and engineering capabilities, product development, conformity to customer specifications, quality of post-sale support, timeliness of delivery, and effectiveness of the distribution organization. Maintaining and improving the Corporation's competitive position will require continued investment in manufacturing, engineering, quality standards, marketing, customer service and support, and the distribution networks. The Corporation may not have sufficient resources to continue to make such investments or it may not be successful in maintaining its competitive position. The Corporation's competitors may develop products that are superior to its products, may develop methods of more efficiently and effectively providing products and services, or may adapt more quickly than the Corporation to new technologies or evolving customer requirements. Certain of the Corporation's competitors are larger, more diversified corporations and may have greater financial, marketing, production, and research and development resources. As a result, they may be better able to withstand the effects of periodic economic downturns. Pricing pressures could also cause the Corporation to adjust the prices of certain of its products to stay competitive. The Corporation may not be able to compete successfully with its existing competitors or with new competitors. Failure to continue competing successfully could adversely affect the Corporation's business, financial condition, and results of operations.

Volatility in foreign currency exchange rates

The Corporation is exposed to fluctuations in foreign currency exchange rates, particularly with respect to the Canadian dollar, the British pound, and the euro. Any significant change in the value of the currencies of the countries in which the Corporation does business against the U.S. dollar could have an adverse effect on the Corporation's business, financial condition, and results of operations. Management seeks to minimize the risk from these foreign currency exchange rate fluctuations principally through invoicing the Corporation's customers in the same currency as the source of the products. However, the Corporation's efforts to minimize these risks may not be successful.

Political and economic conditions in foreign countries

During the year ended December 31, 2003, approximately 21% of the Corporation's consolidated revenue was to customers outside of North America. Management expects international operations and export sales to continue to contribute to earnings for the foreseeable future. Both the sales from international operations and export sales are subject in varying degrees to risks inherent in doing business outside of the United States. Such risks include, without limitation, the following:

o Possibility of unfavorable circumstances arising from host country laws or regulations;

o Partial or total expropriation;

o Potential negative consequence from changes to significant taxation policies;

o Changes in tariff and trade barriers and import or export licensing requirements;

o Insurrection or war; and

o Potential negative consequences from the requirements of partial local ownership of operations in certain countries.

The impact on the Corporation if such events occur in the future is uncertain.

The U.S. government's right to use the Corporation's technology

The Corporation seeks to protect the competitive benefits it derives from its patents, proprietary information, and other intellectual property. However, the Corporation does not have the right to prohibit the U.S. government from using certain technologies developed or acquired by it or to prohibit third party companies, including the Corporation's competitors, from using those technologies in providing products and services to the U.S. government. The U.S. government has the right to royalty-free use of technologies that the Corporation has developed under U.S. government contracts. The Corporation is free to commercially exploit those government-funded technologies and may assert its intellectual property rights to seek to block other non-government users thereof, but the Corporation cannot assure that it could successfully do so.

Government regulation could limit the Corporation's ability to sell products outside the United States

The sale of certain of the Corporation's products outside the U.S. is subject to compliance with the U.S. Export Administration Regulations. The Corporation's failure to obtain the requisite licenses, meet registration standards, or comply with other government export regulations, may affect its ability to generate revenues from the sale of its products outside the U.S., which could have a material adverse effect on the Corporation's business, financial condition, and results of operations. Compliance with the government regulations may also subject the Corporation to additional fees and costs. The absence of comparable restrictions on competitors in other countries may adversely affect the Corporation's competitive position.

In order to sell its products in European Union countries, the Corporation must satisfy certain technical requirements. If it is unable to comply with those requirements with respect to a significant quantity of its products, the Corporation's sales in Europe could be restricted, which could have a material adverse effect on its business.

Environmental liabilities and litigation

The Corporation is exposed to potential environmental liabilities and litigation. Compliance with environmental regulations could require the Corporation to discharge environmental liabilities, increase the cost of manufacturing its products, or otherwise adversely affect its business, financial condition, and results of operations.

Past and present business operations and the past and present ownership and operations of real property by the Corporation are subject to extensive and changing federal, state, and local environmental laws and regulations, as well as those of other countries, pertaining to the discharge of materials into the environment, the handling and disposition of wastes (including hazardous wastes), or otherwise relating to protection of the environment. In the future, the Corporation may be identified as a potentially responsible party and be subject to liability under applicable law. The Corporation has experienced, and management expects the Corporation to continue to experience, costs to comply with environmental laws and regulations. In addition, new laws and regulations, stricter enforcement of existing laws and regulations, the discovery of previously unknown contamination, or the imposition of new clean-up requirements could require the Corporation to incur costs or become the basis for new or increased liabilities that could have a material adverse effect on the Corporation's business, financial condition, and results of operations.

The Corporation uses and generates hazardous substances and wastes in its operations. In addition, many of its current and former properties are or have been used for industrial purposes. Accordingly, the Corporation's management is conducting investigation and remediation activities at several on-site and off-site locations. The Corporation may be subject to potential material liabilities relating to any investigation and clean up of contaminated properties and to claims alleging personal injury. In addition, some of the products the Corporation previously

sold contained asbestos components that were acquired from third parties and incorporated into its products. Although the Corporation has never been the subject of an adverse judgment nor settled a claim for more than immaterial amounts, it may be subject to potential liabilities relating to claims alleging personal injury as a result of exposure to such products.

Changes in interest rates

The Corporation's profitability may also be adversely affected during any period of unexpected or rapid increase in interest rates. The Corporation's market risk for a change in interest rates relates primarily to its debt obligations. As a result of the September 25, 2003, Senior Notes issue and two subsequent interest rate swap agreements dated November 10, 2003, the Corporation shifted its interest rate exposure from 100% variable to 46% variable as of December 31, 2003. The net proceeds of the Senior Notes allowed the Corporation to pay down the majority of its outstanding debt under its credit facilities. This blended rate strategy for debt borrowings reduces the uncertainty of shifts in future interest rates. The variable rate on both the revolving credit agreements and the interest rate swap agreements are based on market rates. If interest rates changed by one percentage point, the impact on consolidated interest expense would have been approximately $1 million.

Collective bargaining agreements

Because some of the Corporation's employees are employed under collective bargaining agreements, some of which will expire in the next twelve months, the Corporation may be subject to work stoppages that may adversely affect the Corporation's business.

As of December 31, 2003, 1,019 of the Corporation's 4,655 employees were employed under collective bargaining agreements. Collective bargaining agreements covering approximately 65 of those employees will expire over the next twelve months. Management believes that relations with the Corporation's union employees are generally good, but there is no assurance that the Corporation's operations will not at some point be subject to work stoppages by some of its employees. If such stoppages were to occur, they could have a material adverse effect on the Corporation's financial condition and results of operations.

Attracting and retaining technical personnel

There is a continuing demand for qualified technical personnel, and the Corporation believes that its future growth and success will depend upon its ability to attract, train, and retain such personnel. An inability to maintain a sufficient number of trained personnel could have a material adverse effect on the Corporation's contract performance or on its ability to capitalize on market opportunities.

Indebtedness

The Corporation's debt to capitalization ratios were 32%, 27%, and 6%, as of December 31, 2003, 2002, and 2001, respectively. The Corporation's degree of leverage could:

o Impair its future ability to obtain additional financing for working capital, capital expenditures, acquisitions, and general corporate or other purposes;

o Hinder its ability to adjust rapidly to changing market conditions; and

o Make the Corporation more vulnerable if a downturn in general economic conditions or its business occurs.

In addition, a portion of the Corporation's cash flow from operations must be dedicated to the payment of principal and interest on its indebtedness. Management anticipates using approximately $8 million to $10 million of the Corporation's cash flow from operations for interest payments in 2004 on its debt obligations. This use of cash flow reduces the funds available for other purposes, which may adversely affect the continued success of the Corporation's business.

In addition to the Senior Notes described above, the Corporation has two revolving credit facilities in the aggregate of $225.0 million (the "Credit Facilities") with The Bank of Nova Scotia, as administrative agent for the eight lenders, which contains operating and financial restrictions. Under certain circumstances, the restrictions affect the Corporation's ability to incur additional indebtedness. The credit agreement also contains covenants limiting, among other things, fundamental changes, such as certain types of mergers or a sale of substantially all of the Corporation's assets.

OTHER INFORMATION

Government Sales

The Corporation's direct sales to the U.S. Government and sales for U.S. Government and foreign government end use represented 46%, 41%, and 25% of consolidated revenue during 2003, 2002, and 2001, respectively. U.S. Government sales, both direct and indirect, are generally made under standard types of government contracts, including fixed price and fixed price-redeterminable. As of December 31, 2003, approximately 6% of the Corporation's backlog was redeterminable, downward and upward, with incentive profit features.

In accordance with normal practice in the case of U.S. Government business, contracts and orders are subject to partial or complete termination at any time, at the option of the customer. In the event of a termination for convenience by the government, there generally are provisions for recovery by the Corporation of its allowable incurred costs and a proportionate share of the profit or fee on the work completed, consistent with regulations of the U.S. Government. Contracts for Navy nuclear programs usually provide that Curtiss-Wright absorb most of any cost overrun. In the event that there is a cost underrun, the customer recoups a portion of the underrun based upon a formula in which the customer's portion increases as the underrun exceeds certain established levels.

Generally, long-term contracts with the U.S. Government require the Corporation to invest in and carry significant levels of inventoriable costs. However, the Corporation utilizes progress payments and other interim billing practices on nearly all of these contracts, thus reducing the overall working capital requirements. It is the policy of the Corporation to seek customary progress payments on certain of its contracts. Where such payments are obtained by the Corporation under U.S. Government prime contracts or subcontracts, the U.S. government has either title to, or a secured interest in, the materials and work in process allocable or chargeable to the respective contracts. (See Notes 1.F, 5, and 6 to the Consolidated Financial Statements, on pages 49, 57, and 57, respectively, of the Registrant's Annual Report, which notes are incorporated by reference in this Annual Report on Form 10-K.) In the case of most motion control and flow control segment products for U.S. Government end use, the contracts typically provide for the retention by the customer of stipulated percentages of the contract price, pending completion of contract closeout conditions.

Research and Development

Research and development expenditures incurred by the Corporation amounted to $22.1 million in 2003 as compared with $11.6 million in 2002 and $4.4 million in 2001. The Corporation owns and is licensed under a number of United States and foreign patents and patent applications, which have been obtained or filed over a period of years. Curtiss-Wright does not consider that the successful conduct of its business or its business segments is materially dependent upon the protection of any one or more of the patents, patent applications, or patent license agreements under which it now operates.

Customer sponsored research and development activity amounted to $31.2 million, $10.3 million, and $2.6 million in 2003, 2002, and 2001, respectively, and were attributed to customers within the flow control and motion control segments.

Environmental Protection

The effect of compliance upon the Corporation with present legal requirements concerning protection of the environment is described in Notes 1.M and 15 to the Consolidated Financial Statements which appear on pages 50 and 64, respectively, of the Registrant's Annual Report, which notes are incorporated by reference in this Annual Report on Form 10-K.

Employees

At the end of 2003 the Corporation had 4,655 employees, 1,019 of which were represented by labor unions and are covered by collective bargaining agreements.

Certain Financial Information

Financial information about the Corporation's segments is presented in Note 18 to the Consolidated Financial Statements, which appears on pages 69 and 70 of the Registrant's Annual Report, which note is incorporated by reference in this Annual Report on Form 10-K. In 2003, 2002, and 2001, foreign operations of the Corporation generated 20%, 23%, and 18%, respectively, of the Corporation's pre-tax earnings. The Corporation does not regard the risks associated with these foreign operations to be materially greater than those applicable to its businesses in the U.S.

Item 2. Properties.

At December 31, 2003, the Corporation had 94 facilities worldwide, including manufacturing, metal treatment service, aerospace component overhaul, engineering, and other facilities and administrative offices. Of these, the Corporation owned 35 locations and leased the remaining 59 facilities.

The principal physical properties of the Corporation and its subsidiaries as of December 31, 2003, are described below:

Location	Description	Segment	Total Sq. Ft. Owned(1)
Cheswick, Pennsylvania	Manufacturing	Flow Control	630,000
East Farmingdale, New York(2)	Manufacturing	Flow Control	215,000
Chester, Wales United Kingdom	Metal Treatment Services - Shot Peening	Metal Treatment	200,000
Shelby, North Carolina	Manufacturing	Motion Control	137,000

The aggregate remaining properties leased and owned, by business segment, are as follows:

Segment	Description	Total Sq. Ft. Owned(1)	Total Sq. Ft. Leased(1)
Metal Treatment	Metal treatment service and other facilities and administrative offices	777,000	770,000
Motion Control	Manufacturing, aerospace component overhaul, engineering, and other facilities	139,000	492,000
Flow Control	Manufacturing, engineering, and other facilities	121,000	193,000

(1) Sizes are approximate. Unless otherwise indicated, all properties are owned in fee, are not subject to any major encumbrance, and are occupied primarily by factory and/or warehouse operations.

(2) The Bank of New York, as successor trustee for the Suffolk County Industrial Development Agency, has a Uniform Commercial Code lien on approximately six acres of land and the building located thereon in connection with the issuance of industrial revenue bonds.

The Corporation also leases 18,700 square feet of office space for its corporate headquarters located in Roseland, New Jersey.

None of the properties listed above are individually material to the Corporation's business. The buildings on the properties referred to in this Item are well maintained, in good condition, and are suitable and adequate for the uses presently being made of them. Management believes the productive capacity of the Corporation's properties is adequate to meet its anticipated volume for the foreseeable future.

The Registrant currently owns 450,000 square feet of space situated on 39.8 acres of property located in Fairfield, New Jersey (the "Fairfield Property"). The Fairfield Property is currently under a sales contract, which is anticipated to close during 2004. In September 2002 the Corporation sold 7.4 acres of land in Lyndhurst, New Jersey. In January 2002 the Corporation sold 21 acres of land located in Hardwick Township, New Jersey. On December 20, 2001, the Corporation sold its Wood-Ridge Business Complex, which is located in Wood-Ridge, New Jersey, for $51 million. The business complex comprised 2.3 million square feet of rental space situated on 138 acres of land.

Item 3. Legal Proceedings.

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

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity And Related Stockholder Matters.

See the information contained in the Registrant's Annual Report on the inside back cover under the captions "Stock Price Range," "Dividends," and "Stock Exchange Listing," which information is incorporated herein by reference. The approximate total number of record holders of the Common stock, $1.00 par value, and the Class B common stock, $1.00 par value, of the Registrant was 7,737 as of March 3, 2004.

Item 6. Selected Financial Data.

See the information contained in the Registrant's Annual Report on page 30 under the caption "Consolidated Selected Financial Data," which information is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

See the information contained in the Registrant's Annual Report on pages 31 through 41, under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," which information is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

See the information contained in the Registrant's Annual Report on page 42, under the caption "Quantitative and Qualitative Disclosures About Market Risk," which information is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

The following Consolidated Financial Statements of the Registrant and its subsidiaries, and supplementary financial information, are included in the Registrant's Annual Report, which information is incorporated herein by reference.

Consolidated Statements of Earnings for the years ended December 31, 2003, 2002, and 2001, page 45.

Consolidated Balance Sheets at December 31, 2003 and 2002, page 46.

Consolidated Statements of Cash Flows for the years ended December 31, 2003, 2002, and 2001, page 47.

Consolidated Statements of Stockholders' Equity for the years ended December 31, 2003, 2002, and 2001, page 48.

Notes to Consolidated Financial Statements, pages 49 through 71, inclusive, and Quarterly Results of Operations, page 30.

Independent Auditors' Report as of and for the year ended December 31, 2003, page 44.

Report of Independent Accountants as of December 31, 2002 and for the years ended December 31, 2002 and 2001, page 44.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Information required by this Item is included in the Registrant's Form 8-K filed on March 26, 2003, which information is incorporated herein by reference.

Item 9A. Controls And Procedures.

As of December 31, 2003, the Corporation's management, including the Corporation's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the Corporation's disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on such evaluation, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that the Corporation's disclosure controls and procedures are effective, in all material respects, to ensure that information required to be disclosed in the reports the Corporation files and submits under the Exchange Act is recorded, processed, summarized, and reported as and when required.

There have not been any changes in the Corporation's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended December 31, 2003, that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers Of the Registrant.

Information required in connection with directors and executive officers is set forth below, as well as under the caption "Election of Directors," in the Registrant's Proxy Statement with respect to the Corporation's 2004 Annual Meeting of Stockholders (the "Proxy Statement"), which information is incorporated herein by reference.

Executive Officers of the Registrant

The following table sets forth the names, ages, and principal occupations and employment of all executive officers of the Registrant. The period of service is for at least the past five years and such occupations and employment are with Curtiss-Wright Corporation, except as otherwise indicated:

Name	Principal Occupation and Employment	Age
Martin R. Benante	Chairman of the Board of Directors and Chief Executive Officer since April 2000; formerly President and Chief Operating Officer from April 1999 to April 2000; formerly Vice President of the Corporation from April 1996 to April 1999; President of Curtiss-Wright Flow Control Corporation, a wholly-owned subsidiary from March 1995 to April 1999	51
George J. Yohrling	Executive Vice President since May 2001; President, Curtiss-Wright Controls, Inc., a wholly-owned subsidiary, since April 1998; Executive Vice President for Aerospace Operations of Curtiss-Wright Controls, Inc. from April 1997 to April 1998; Senior Vice President from July 1996 to April 1997 of Curtiss-Wright Controls, Inc.; Vice President and General Manager of Curtiss-Wright Controls/Shelby, Inc., then a wholly-owned subsidiary, since 1985.	63
Edward Bloom	Vice President since June 2002; President of Metal Improvement Company, Inc., a wholly-owned subsidiary, since June 2002; formerly Executive Vice President of Metal Improvement Company, Inc. from December 1995 to June 2002	62
Glenn E. Tynan	Vice President of Finance and Chief Financial Officer since June 2002; Controller from June 2000 to May 2002; Vice President and Corporate Controller of the Movado Group from 1999 to 2000; Corporate Controller of Dexter Corporation from 1998 to 1999; Vice President Finance and Controller of Lightolier from 1995 to 1998.	45

Name	Principal Occupation and Employment	Age
Michael J. Denton	Secretary and General Counsel since August 2001; Corporate Counsel of Honeywell International, Inc. (previously AlliedSignal Inc.) from 1993 to 2001.	48
Kevin McClurg	Corporate Controller since September 2002; Assistant Controller from February 2002 to September 2002; Director of Accounting of Toys R Us, Inc. until January 2002; Director of International Reporting of Random House from January 1998 to May 2001;	40

The executive officers of the Registrant are elected by the Board of Directors at its annual organizational meeting and hold office until the organization meeting in the subsequent year or until a respective successor is chosen and qualified.

There are no family relationships among these officers, or between any of them and any director of Curtiss-Wright Corporation, nor any arrangements or understandings between any officer and any other person pursuant to which the officer was elected.

Section 16(a) Beneficial Ownership Reporting Compliance

Information required by Item 405 of Regulation S-K is set forth in the Proxy Statement under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," which information is incorporated herein by reference.

Item 11. Executive Compensation.

Information required by this Item is included under the captions "Executive Compensation" and in the "Summary Compensation Table" in the Registrant's Proxy Statement, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information required by this Item is contained in Note 14 to the Consolidated Financial Statements, which appears on pages 63 and 64 of Registrant's Annual Report, and in the Registrant's Proxy Statement, all of which information is incorporated herein by reference: (i) the information under the caption "Security Ownership and Transactions with Certain Beneficial Owners" and (ii) the information included under the caption "Election of Directors."

Item 13. Certain Relationships and Related Transactions.

Information required by this Item is included under the captions "Executive Compensation" and "Security Ownership and Transactions with Certain Beneficial Owners" in the Registrant's Proxy Statement, which information is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

Information required by this Item is included under the caption "Principal Accounting Firm Fees" in the Registrant's Proxy Statement, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedule, and Reports on Form 8-K.

(a)(1) Financial Statements:

The following Consolidated Financial Statements of the Registrant and supplementary financial information, included in the Registrant's Annual Report, are incorporated herein by reference in Item 8:

(i) Consolidated Statements of Earnings for the years ended December 31, 2003, 2002, and 2001, page 45.

(ii) Consolidated Balance Sheets at December 31, 2003 and 2002, page 46.

(iii) Consolidated Statements of Cash Flows for the years ended December 31, 2003, 2002, and 2001, page 47.

(iv) Consolidated Statements of Stockholders' Equity for the years ended December 31, 2003, 2002, and 2001, page 48.

(v) Notes to Consolidated Financial Statements, pages 49 through 71, inclusive, and Quarterly Results of Operations, page 30.

(vi) Independent Auditors' Report as of and for the year ended December 31, 2003, page 44.

(vii) Report of Independent Accountants as of December 31, 2002 and for the years ended December 31, 2002 and 2001, page 44.

(a)(2) Financial Statement Schedule:

The items listed below are presented herein on pages 24 and 25 of this Form 10-K:

(i) Independent Auditors' Report on Financial Statement Schedule as of and for the year ended December 31, 2003

(ii) Report of Independent Auditors on Financial Statement Schedule as of December 31, 2002, and for the years ended December 31, 2002 and 2001

(iii) Schedule II - Valuation and Qualifying Accounts

Schedules other than those listed above have been omitted, since they are not required, are not applicable, or because the required information is included in the financial statements or notes thereto.

(a)(3) Other Matters - Subsequent Events

See the information contained in the Registrant's Annual Report on page 41 under the caption "Recent Development" and on page 71 under the caption "Subsequent Event", which information is incorporated herein by reference.

Exhibits:

(2) Plan of acquisition, reorganization, arrangement, liquidation, or succession

(i) Second Amended and Restated Distribution Agreement, dated as of August 17, 2001, between the Corporation and Unitrin, Inc. (incorporated by reference to Appendix A to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Corporation dated September 5, 2001).

(ii) Second Amended and Restated Agreement and Plan of Merger, dated as of August 17, 2001, among the Corporation, Unitrin, Inc., and CW Disposition Company (incorporated by reference to Appendix B to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Corporation dated September 5, 2001).

(iii) Asset Purchase and Sale Agreement dated October 25, 2001, between Lau Acquisition Corporation, Lau Defense Systems, LLC, Vista Controls Corporation, and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001).

(iv) Real Estate Sale and Purchase Agreement dated August 2, 2001, between Curtiss-Wright Corporation, Curtiss-Wright Flight Systems, Inc., and Shaw Achas, LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed January 4, 2002).

(v) Addendum to Real Estate Sale and Purchase Agreement dated September 10, 2001, by and between Curtiss-Wright Corporation Curtiss-Wright Flight Systems, Inc., and Shaw Achas, LLC (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K, filed January 4, 2002).

(vi) Share and Asset Purchase Agreement dated February 19, 2002, between Spirent Plc. and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed April 15, 2002).

(vii) Asset Purchase Agreement dated October 25, 2002, between Westinghouse Government Services Company LLC and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed November 12, 2002).

(viii) Asset Purchase Agreement dated January 31, 2004, between Solectron Corporation and Curtiss-Wright Corporation, filed herewith.

(3) Articles of Incorporation and By-laws of the Registrant

(i) Restated Certificate of Incorporation as amended May 23, 2004 (incorporated by reference to Exhibit 3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003).

(ii) By-laws as amended through November 29, 2001 (incorporated by reference to Appendix D-1 to Registrant's Proxy Statement on Schedule 14A with respect to the recapitalization of the Corporation dated September 5, 2001).

(4) Instruments defining the rights of security holders, including indentures

(i) Agreement to furnish to the Commission upon request, a copy of any long-term debt instrument where the amount of the securities authorized thereunder does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis (incorporated by reference to Exhibit 4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985).

(ii) Revolving Credit Agreement dated May 13, 2002, between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein, and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002).

(iii) Short-Term Credit Agreement, as amended May 1, 2003, between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein, and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002; and Exhibit 4 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2003).

(iv) Amended and Restated Rights Agreement, dated as of November 6, 2000, as amended and restated as of November 20, 2001, between the Corporation and Mellon Investor Services LLC (f/k/a ChaseMellon Shareholder Services, L.L.C.), as Rights Agent, (incorporated by reference to Exhibit 4 to the Registrant's Report on Form 8-K, filed November 20, 2001).

(v) Amendment to Restated Rights Agreement dated February 1, 2002, naming American Stock Transfer & Trust Company as Rights Agent, (incorporated by reference to Exhibit 4(iv) to the Registrant's Annual Report on Form 10-K, filed March 18, 2002).

(10) Material Contracts:

(i) Modified Incentive Compensation Plan, as amended November 9, 1989 (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 1989). *

(ii) Curtiss-Wright Corporation 1995 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 95602114 filed December 15, 1995). *

(iii) Revised Standard Employment Severance Agreement with Certain Management of Curtiss-Wright (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2001). *

(iv) Retirement Benefits Restoration Plan as amended April 15, 1997 (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1997). *

(v) Restated and Amended Curtiss-Wright Corporation Retirement Plan as amended through February 28, 2002 (incorporated by reference to Exhibit (10)(v) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).

(vi) Restated and Amended Curtiss-Wright Corporation Savings and Investment Plan dated February 28, 2002 (incorporated by reference to Exhibit
(10)(v) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001).

(vii) Curtiss-Wright Electro-Mechanical Division Pension Plan dated October 29, 2002 (incorporated by reference to Exhibit (10)(vii) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2002). *

(viii) Curtiss-Wright Corporation 1996 Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 96583181, filed June 19, 1996). *

(ix) Curtiss-Wright Corporation Executive Deferred Compensation Plan effective November 18, 1997 (incorporated by reference to Exhibit (10)(viii) to Registrant's Annual Report on Form 10-K for the year ended December 31, 1997). *

(x) Change In Control Severance Protection Agreement dated July 9, 2001, between the Registrant and Chief Executive Officer of the Registrant (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001). *

(xi) Standard Change In Control Severance Protection Agreement dated July 9, 2001, between the Registrant and Key Executives of the Registrant (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001). *

(xii) Trust Agreement dated January 20, 1998, by and between Curtiss-Wright Corporation and PNC Bank, National Association (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 1998). *

(xiii) Consulting Agreement dated April 10, 2000, between Registrant and David Lasky (incorporated by reference to Exhibit (10)(xi) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000). *

(xiv) Standard Supplemental Retirement Agreement dated April 27, 1999, between the registrant and certain Officers of the Registrant (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000). *

(xv) Mutual Separation Agreement dated June 26, 2001, between Brian D. O'Neill and Registrant (incorporated by reference to Exhibit (10)(xiv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001). *

(xvi) Mutual Separation Agreement dated November 12, 2001, between Robert A. Bosi and Registrant (incorporated by reference to Exhibit (10)(xv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001). *

(xvii) Consulting Agreement dated June 18, 2002, between Registrant and Gerald Nachman (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2002). *

(xviii)Curtiss-Wright Electro-Mechanical Division Savings Plan dated January 1, 2004, filed herewith. *

(xix) Curtiss-Wright Corporation 2003 Employee Stock Purchase Plan (incorporated by reference to Appendix VII to Registrant's Proxy Statement on Schedule 14A, filed with the SEC on March 28, 2003). *

(13) Annual Report to Stockholders for the year ended December 31, 2003.

(16) Letter from Deloitte & Touche and PricewaterhouseCoopers LLP, dated March 25, 2003 (incorporated by reference to Registrant's Form 8-K, filed March 26, 2003).

(21) Subsidiaries of the Registrant.

(23) Consents of Experts and Counsel

(i) Independent Auditors' Consent

(ii) Consent of Independent Accountants

(31) Rule 13a-14(a)/15d-14(a) Certifications

(i) Certification of Martin R. Benante, Chairman and CEO, Pursuant to Rule 13a-14(a) or Rule 15d - 14(a) under the Securities Exchange Act of 1934, as added by Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

(ii) Certification of Glenn E. Tynan, Chief Financial Officer, Pursuant to Rule 13a-14(a) or Rule 15d - 14(a) under the Securities Exchange Act of 1934, as added by Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

(32) Certification of Martin R. Benante, Chairman and CEO and Glenn E. Tynan, Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as added by
Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.

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*Management contract or compensatory plan or arrangement

(b) Reports on Form 8-K

(i) On March 26, 2003, the Corporation filed a report on Form 8-K reporting under Item 4 a Change in the Registrant's Certifying Accountants.

(ii) On September 4, 2003, the Corporation filed a report on Form 8-K under Item 9 announcing that management provided an investors presentation at an investor's conference sponsored by Gabelli Asset Management, Inc.

(iii) On October 3, 2003, the Corporation filed a report on Form 8-K under Item 5, announcing the sale of $200 Million in Senior Guaranteed Notes.

(iv) On December 2, 2003, the Corporation filed a report on Form 8-K under Item 9 announcing that management provided an investors presentation at an investor's conference sponsored by Jefferies Quarterdeck, LLC.

(v) On December 8, 2003, the Corporation filed a report on Form 8-K/A under Item 9 amending the management presentation provided by management at the investor's conference sponsored by Jefferies Quarterdeck, LLC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CURTISS-WRIGHT CORPORATION
(Registrant)

Date: March 9, 2004	*By: /s/ Martin R. Benante* ------------------------------ *Martin R. Benante* *Chairman and CEO*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date: March 9, 2004	*By: /s/ Glenn E. Tynan* ------------------------------ *Glenn E. Tynan* *Chief Financial Officer*
Date: March 9, 2004	*By: /s/ Kevin McClurg* ------------------------------ *Kevin McClurg* *Controller*
Date: March 9, 2004	*By: /s/ Martin R. Benante* ------------------------------ *Martin R. Benante* *Director*
Date: March 9, 2004	*By: /s/ James B. Busey IV* ------------------------------ *James B. Busey IV* *Director*
Date: March 9, 2004	*By: /s/ S. Marce Fuller* ------------------------------ *S. Marce Fuller* *Director*
Date: March 9, 2004	*By: /s/ David Lasky* ------------------------------ *David Lasky* *Director*
Date: March 9, 2004	*By: /s/ Carl G. Miller* ------------------------------ *Carl G. Miller* *Director*
Date: March 9, 2004	*By: /s/ William B. Mitchell* ------------------------------ *William B. Mitchell* *Director*
Date: March 9, 2004	*By: /s/ John R. Myers* ------------------------------ *John R. Myers* *Director*
Date: March 9, 2004	*By: /s/ William W. Sihler* ------------------------------ *William W. Sihler* *Director*
Date: March 9, 2004	*By: /s/ J. McLain Stewart* ------------------------------

J. McLain Stewart
Director

INDEPENDENT AUDITORS' REPORT ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Stockholders of Curtiss-Wright Corporation
Roseland, New Jersey

We have audited the consolidated financial statements of Curtiss-Wright Corporation as of December 31, 2003, and for the year then ended, and have issued our report thereon dated February 20, 2004; such report is incorporated by reference in the Annual Report on Form 10-K for the year ended December 31, 2003. Our audit also included the 2003 consolidated financial statement schedule of Curtiss-Wright Corporation, listed in Item 15(a)(2). The consolidated financial statement schedule is the responsibility of the Corporation's management. Our responsibility is to express an opinion based on our audit. In our opinion, the consolidated financial statement schedule as of and for the year ended December 31, 2003, when considered in relation to the basic consolidated financial statements as of and for the year ended December 31, 2003, taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP
Parsippany, NJ
February 20, 2004

REPORT OF INDEPENDENT AUDITORS ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors
of Curtiss-Wright Corporation:

Our audits of the consolidated financial statements referred to in our report dated March 12, 2003, appearing in the 2003 Annual Report to Stockholders of Curtiss-Wright Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule, for the two years ended December 31, 2002, listed in Item 15 (a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP
PRICEWATERHOUSECOOPERS LLP
Florham Park, New Jersey
March 12, 2003

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
SCHEDULE II - VALUATION and QUALIFYING ACCOUNTS

for the years ended December 31, 2003, 2002, and 2001

(In thousands)

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts (Describe)	Deductions (Describe)	Balance at End of Period
Deducted from assets to which they apply:					
Year-ended December 31, 2003					
Reserves for inventory obsolescence	$23,548	$2,152	$1,566(A)	$4,988(G)	$22,278
Reserves for doubtful accounts and notes	3,244	1,388	110(B)	1,293(H)	3,449
Total	$26,792	$3,540	$1,676	$6,281	$25,727
Year-ended December 31, 2002					
Reserves for inventory obsolescence	$14,384	$1,958	$7,818(C)	$ 612(G)	$23,548
Reserves for doubtful accounts and notes	2,808	197	546(D)	307(H)	3,244
Total	$17,192	$2,155	$8,364	$ 919	$26,792
Year-ended December 31, 2001					
Reserves for inventory obsolescence	$10,944	$1,857	$1,841(E)	$ 258(I)	$14,384
Reserves for doubtful accounts and notes	3,030	882	527(F)	1,631(H)	2,808
Total	$13,974	$2,739	$2,368	$1,889	$17,192

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

Notes:

(A) Includes amounts acquired from the purchase of Systran and Collins and currency translation adjustments.

(B) Includes amounts acquired from the purchase of Systran, Novatronics, and Collins and currency translation adjustments.

(C) Includes amounts acquired from the purchase of Electro-Mechanical Division, Penny & Giles and Autronics, finalization of purchase accounting adjustments of Lau Defense Systems and Vista Controls, and currency translation adjustments.

(D) Relates primarily to amounts acquired from the purchase of Penny & Giles and Autronics.

(E) Relates primarily to amounts acquired from the purchase of Lau Defense Systems and Vista Controls, Peerless Instrument, and Solent & Pratt.

(F) Relates primarily to amounts acquired from the purchase of Lau Defense Systems, Peerless Instrument, and Solent & Pratt.

(G) Deductions relate to the write-off of obsolete inventory.

(H) Deductions relate primarily to the write-off of accounts receivable, net of recoveries.

(I) Deductions relate primarily to release of reserves no longer required.

(J) EXHIBIT INDEX

The following is an index of the exhibits included in this report or incorporated herein by reference.

(2) Plan of acquisition, reorganization, arrangement, liquidation, or succession

(i) Second Amended and Restated Distribution Agreement, dated as of August 17, 2001, between the Corporation and Unitrin, Inc. (incorporated by reference to Appendix A to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Corporation dated September 5, 2001). #

(ii) Second Amended and Restated Agreement and Plan of Merger, dated as of August 17, 2001, among the Corporation, Unitrin, Inc., and CW Disposition Company (incorporated by reference to Appendix B to the Registrant's Proxy Statement Schedule on 14A with respect to the recapitalization of the Corporation dated September 5, 2001). #

(iii) Asset Purchase and Sale Agreement dated October 25, 2001, between Lau Acquisition Corporation, Lau Defense Systems, LLC, Vista Controls Corporation, and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.3 to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001). #

(iv) Real Estate Sale and Purchase Agreement dated August 2, 2001, between Curtiss-Wright Corporation, Curtiss-Wright Flight Systems, Inc., and Shaw Achas, LLC (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed January 4, 2002). #

(v) Addendum to Real Estate Sale and Purchase Agreement dated September 10, 2001, by and between Curtiss-Wright Corporation, Curtiss-Wright Flight Systems, Inc., and Shaw Achas, LLC (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K, filed January 4, 2002). #

(vi) Share and Asset Purchase Agreement dated February 19, 2002, between Spirent Plc. and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed April 15, 2002). #

(vii) Asset Purchase Agreement dated October 25, 2002, between Westinghouse Government Services Company LLC and Curtiss-Wright Corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed November 12, 2002). #

(viii) Asset Purchase Agreement dated January 31, 2004, between Solectron Corporation and Curtiss-Wright Corporation, filed herewith.

(3) Articles of Incorporation and By-laws of the Registrant

(i) Restated Certificate of Incorporation as amended May 23, 2004 (incorporated by reference to Exhibit 3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003). #

(ii) By-laws as amended through November 29, 2001 (incorporated by reference to Appendix D-1 to Registrant's Proxy Statement on Schedule 14A with respect to the recapitalization of the Corporation dated September 5, 2001). #

(4) Instruments defining the rights of security holders, including indentures

(i) Agreement to furnish to the Commission upon request, a copy of any long-term debt instrument where the amount of the securities authorized thereunder does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis (incorporated by reference to Exhibit 4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985). #

(ii) Revolving Credit Agreement dated May 13, 2002, between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein, and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002). #

(iii) Short-Term Credit Agreement, as amended May 1, 2003, between Registrant, the Lenders parties thereto from time to time, the Issuing Banks referred to therein, and The Bank of Nova Scotia (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2002; and Exhibit 4 to Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2003). #

(iv) Amended and Restated Rights Agreement, dated as of November 6, 2000, as amended and restated as of November 20, 2001, between the Corporation and Mellon Investor Services LLC (f/k/a ChaseMellon Shareholder Services, L.L.C.), as Rights Agent, (incorporated by reference to Exhibit 4 to the Registrant's Report on Form 8-K, filed November 20, 2001). #

(v) Amendment to Restated Rights Agreement dated February 1, 2002, naming American Stock Transfer & Trust Company as Rights Agent (incorporated by reference to Exhibit 4(iv) to the Registrant's Annual Report on Form 10-K, filed March 18, 2002). #

(10) Material Contracts:

(i) Modified Incentive Compensation Plan, as amended November 9, 1989 (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 1989). * #

(ii) Curtiss-Wright Corporation 1995 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 95602114 filed December 15, 1995). * #

(iii) Revised Standard Employment Severance Agreement with Certain Management of Curtiss-Wright (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2001). * #

(iv) Retirement Benefits Restoration Plan as amended April 15, 1997 (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 1997). * #

(v) Restated and Amended Curtiss-Wright Corporation Retirement Plan as amended through February 28, 2002 (incorporated by reference to Exhibit (10)(v) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001). * #

(vi) Restated and Amended Curtiss-Wright Corporation Savings and Investment Plan dated February 28, 2002 (incorporated by reference to Exhibit (10)(vi) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001). * #

(vii) Curtiss-Wright Electro-Mechanical Division Pension Plan dated October 29, 2002 (incorporated by reference to Exhibit (10)(vii) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2002). * #

(viii) Curtiss-Wright Corporation 1996 Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 4.1 to Registrant's Form S-8 Registration Statement No. 96583181, filed June 19, 1996). * #

(ix) Curtiss-Wright Corporation Executive Deferred Compensation Plan effective November 18, 1997 (incorporated by reference to Exhibit (10)(viii) to Registrant's Annual Report on Form 10-K for the year ended December 31, 1997). * #

(x) Change In Control Severance Protection Agreement dated July 9, 2001, between the Registrant and Chief Executive Officer of the Registrant (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001). * #

(xi) Standard Change In Control Severance Protection Agreement dated July 9, 2001, between the Registrant and Key Executives of the Registrant (incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2001). * #

(xii) Trust Agreement dated January 20, 1998, by and between Curtiss-Wright Corporation and PNC Bank, National Association (incorporated by reference to Exhibit 10(a) to Registrant's Quarterly Report on Form 10-Q for the period ended March 31, 1998). * #

(xiii) Consulting Agreement dated April 10, 2000, between Registrant and David Lasky (incorporated by reference to Exhibit (10)(xi) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000). * #

(xiv) Standard Supplemental Retirement Agreement dated April 27, 1999, between the registrant and certain Officers of the Registrant (incorporated by reference to Exhibit 10 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2000). * #

(xv) Mutual Separation Agreement dated June 26, 2001, between Brian D. O'Neill and Registrant (incorporated by reference to Exhibit (10)(xiv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001). * #

(xvi) Mutual Separation Agreement dated November 12, 2001, between Robert A. Bosi and Registrant (incorporated by reference to Exhibit (10)(xv) to Registrant's Annual Report on Form 10-K for the year ended December 31, 2001). * #

(xvii) Consulting Agreement dated June 18, 2002, between Registrant and Gerald Nachman (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the period ended June 30, 2002). * #

(xviii) Curtiss-Wright Electro-Mechanical Division Savings Plan dated January 1, 2004, filed herewith. *

(xix) Curtiss-Wright Corporation 2003 Employee Stock Purchase Plan (incorporated by reference to Appendix VII to Registrant's Proxy Statement on Schedule 14A, filed with the SEC on March 28, 2003). * #

(13) Annual Report to Stockholders for the year ended December 31, 2003.

(16) Letter from Deloitte & Touche and PricewaterhouseCoopers LLP, dated March 25, 2003 (incorporated by reference to Registrant's Form 8-K, filed March 26, 2003).

(21) Subsidiaries of the Registrant.

(23) Consents of Experts and Counsel

(i) Independent Auditors' Consent

(ii) Consent of Independent Accountants

(31) Rule 13a-14(a)/15d-14(a) Certifications

(i) Certification of Martin R. Benante, Chairman and CEO, Pursuant to Rule 13a-14(a) or Rule 15d - 14(a) under the Securities Exchange Act of 1934, as added by Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

(ii) Certification of Glenn E. Tynan, Chief Financial Officer, Pursuant to Rule 13a-14(a) or Rule 15d - 14(a) under the Securities Exchange Act of 1934, as added by Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

(32) Certification of Martin R. Benante, Chairman and CEO and Glenn E.
Tynan, Chief Financial xx Officer, Pursuant to 18 U.S.C. Section 1350, as added by Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.

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* Management contract or compensatory plan or arrangement. # Incorporated by reference as noted.

STATEMENT OF DIFFERENCES

The section symbol shall be expressed as................................ 'SS' The trademark symbol shall be expressed as.............................. 'TM'

STOCK PURCHASE AGREEMENT

by and among

SOLECTRON CORPORATION,

SOLECTRON CANADA ULC,

and

C-MAC INDUSTRIES, INC.,

as Sellers;

and

DY 4 SYSTEMS, INC.,

DY 4 (US), INC.

and

CURTISS-WRIGHT CONTROLS, INC.,

as Purchaser

Dated as of December 2, 2003

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STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT, dated as of December 2, 2003 (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), by and among Solectron Corporation, a Delaware corporation ("Solectron"), Solectron Canada ULC, an unlimited liability company organized under the laws of Nova Scotia and a wholly-owned subsidiary of Solectron ("SC"), and C-MAC Industries, Inc., a corporation organized under the laws of Canada and wholly-owned subsidiary of Solectron ("C-MAC", together with Solectron and SC, collectively, the "Sellers" and each, a "Seller"), as Sellers, Dy 4 Systems, Inc., a corporation organized under the laws of Ontario and a wholly-owned subsidiary of C-MAC ("Dy 4 Systems"), Dy 4 (US) Inc., a Delaware corporation and indirect wholly-owned subsidiary of Solectron ("Dy 4 (US)"), and Curtiss-Wright Controls, Inc., a corporation organized and existing under the laws of the State of Delaware ("Purchaser"), as purchaser.

W I T N E S S E T H:

WHEREAS, as of the date hereof, C-MAC owns all of the issued and outstanding shares of common stock, no par value per share, of Dy 4 Systems (the "Dy 4 Systems Shares"), and Solectron owns all of the issued and outstanding shares of common stock, $0.001 par value per share, of Dy 4 (US) and SC owns all of the issued and outstanding shares of preferred stock, $0.001 par value per share, of Dy 4 (US) (the "Dy 4 (US) Shares", and together with the Dy 4 Systems Shares, collectively the "Shares")).

WHEREAS, Dy 4 Systems owns all of the issued and outstanding capital stock of each of its direct subsidiaries (Dy 4 Systems International Ltd., a corporation organized under the laws of Barbados, Dy 4 Systems UK Ltd, a corporation organized under the laws of the United Kingdom, and Dy 4 Systems Australia Pty Limited, a corporation organized under the laws of Australia), and Dy 4 (US) owns all of the issued and outstanding capital stock of each of its direct subsidiaries (Dy 4 Systems, Ltd., a California corporation and Dy 4 (Virginia), Inc., a Virginia corporation).

WHEREAS, as a material inducement for Sellers to sell the Shares, and for Purchaser to purchase the Shares, Purchaser and Solectron are simultaneously herewith entering into a Transition Services Agreement dated as of the date hereof, in the form attached hereto as Exhibit A (the "Transition Services Agreement"), which shall become effective as of the Closing.

WHEREAS, Sellers wish to sell to Purchaser, and Purchaser wishes to purchase from Sellers, the Shares, upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements, covenants, representations and warranties hereinafter set forth and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Defined Terms. Unless the context otherwise requires, the following terms, when used in this Agreement, shall have the respective meanings specified below:

"Accountants" shall have the meaning ascribed thereto in Section 2.2(c).

"Action" shall mean any claim, action, charge, complaint, suit (whether civil, criminal, administrative), arbitration, grievance, inquiry, proceeding or formal or informal investigation by or before any Governmental Authority or duly appointed arbitration authority.

"Adjustment Amount" shall have the meaning ascribed thereto in Section 2.2(b).

"Adjustment Amount Schedule" shall have the meaning ascribed thereto in Section 2.2(c).

"Advance Payments" shall mean payments received by any Dy 4 Entity or any affiliate of a Dy 4 Entity in respect of any Advance Payments Contract for future performance under such Contract.

"Advance Payments Adjustment Amounts" shall have the meaning ascribed thereto in Section 2.2(b).

"Advance Payments Contracts" shall mean all contracts or agreements, written or oral, to which any Dy 4 Entity is bound pursuant to which a Dy 4 Entity or its affiliate (i) has received an Advance Payment that has not been actually used or returned as of the date hereof or (ii) is entitled to receive an Advance Payment after the date hereof.

"Advance Payments Schedule" shall have the meaning ascribed thereto in Section 2.2(b).

"affiliate" shall mean, with respect to any specified Person, any other Person, that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

"Affiliated Group" shall mean a group of corporations (consisting of Solectron and/or any of its Subsidiaries) with which any Dy 4 Entity has filed consolidated, combined, unitary or similar Tax Returns.

"Agreement" shall have the meaning specified in the preamble to this Agreement.

"Assets" shall have the meaning specified in Section 4.18.

"Bonus Schedule" shall have the meaning ascribed thereto in Section 2.2(b).

"Business" shall mean the businesses engaged in by the Dy 4 Entities as conducted on the date hereof.

"business day" shall mean any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in New York City.

"Canadian EPA" shall mean the Canadian Environmental Protection Act, 1999, as amended from time to time, and the rules and regulations promulgated thereunder.

"Cleanup" shall mean any corrective action, including any investigation, feasibility study, cleanup, removal, containment or other preventative action, or other remediation or response action required under any applicable Environmental Law (whether or not such Cleanup has been required or requested by any Governmental Authority or any other Person).

"Closing Date" shall have the meaning specified in Section 2.3.

"Closing" shall have the meaning specified in Section 2.3.

"COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and as codified in Section 4980B of the Code and Section 601 et. seq. of ERISA.

"Code" shall mean the Internal Revenue Code of 1986, as amended through the date hereof.

"Competition Act" means the Competition Act (Canada) as amended, and the rules and regulations promulgated thereunder.

"Confidentiality Agreement" shall mean the confidentiality letter agreement, dated as of July 29, 2003, by and between Solectron and Purchaser.

"Contemplated Transactions" shall mean all of the transactions contemplated by this Agreement, including the sale of the Shares by the Sellers to the Purchaser; the Purchaser's acquisition and ownership of the Shares and exercise of control over the Dy 4 Entities; the execution, delivery and performance of the Transition Services Agreement; and the performance by the parties hereto of their respective covenants, agreements and obligations under this Agreement.

"Continuation Period" shall have the meaning specified in Section 6.11.

"control" (including the terms "controlled by" and "under common control with") shall mean, with respect to the relationship between or among two or more Persons, the possession, directly or indirectly, or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract or otherwise, including, without limitation, the ownership, directly or indirectly, of securities having the power to elect a majority of the board of directors or similar body governing the affairs of such Person.

"Dy 4 Entities" or "Dy 4 Entity" shall mean Dy 4 Systems and its Subsidiaries, and Dy 4 (US) and its Subsidiaries.

"Dy 4 Intellectual Property" shall have the meaning ascribed thereto in Section 4.16.

"Disclosure Schedule" shall mean the Disclosure Schedule attached hereto, dated as of the date hereof, and forming a part of this Agreement, which Disclosure Schedule shall (i) consist of items of disclosure categorized by sections, and (ii) provide information with respect to, or otherwise qualify, the representations and warranties set forth in the corresponding sections of this Agreement and any other sections of this Agreement to the extent that it is readily apparent on the face of such disclosure that such disclosure applies to such other sections of this Agreement.

"dollars" and the sign "$" shall each mean lawful money of the United States of America.

"Employee Plans" shall have the meaning specified in Section 4.19.

"Encumbrance" shall mean any security interest, pledge, mortgage, lien, charge, encumbrance, adverse claim, preferential arrangement, option, right of first refusal, covenant or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership, equitable interest, easement, tenancy or other possessory interest, encroachment, indenture, right of way, deed of trust, lease or security agreement, excluding non-exclusive licenses of Intellectual Property.

"Environmental Claim" shall mean any claim, Action, cause of action, investigation or written notice, order, direction or requirement by any Person alleging potential liability or demanding a remedy, whether civil, administrative, criminal or quasi-criminal (including, without limitation, potential liability for the costs of any Cleanup, governmental response costs, natural resources damages, property damage, personal injuries, harm or injury to public health, nuisance or fines, penalties or monetary or non-monetary sanctions (including, without limitation, loss of any Permit)) arising out of, based on or resulting from (i) the presence or Release of any Hazardous Materials at any location or (ii) circumstances forming the basis of any violation of any Environmental Law.

"Environmental, Health and Safety Liabilities" shall mean any cost, damage, expense, liability, obligation, or other responsibility arising from or under Environmental Law or consisting of or relating to any Environmental Claim.

"Environmental Law" shall mean any applicable Law, permit, Governmental Order, or other governmental restriction or requirement in effect as of the Closing Date, relating directly or indirectly to (i) the environmental aspects of product approvals, (ii) the protection of the environment (including air, water vapor, surface water, groundwater, drinking water supply, surface or subsurface land); (iii) providing safe and healthful working conditions and reducing occupational safety and health hazards, including any program designed to provide safe and healthful working conditions, including the United States Occupational Safety and Health Act and the Occupational Health and Safety Act (Ontario) and (iv) the exposure to, or the use, storage, recycling, treatment,

generation, transportation, processing, handling, labeling, recycling, Release or disposal of Hazardous Materials, including the United States Federal Solid Waste Disposal Act; the United States Federal Clean Air Act (including, without limitation, the United States Clean Air Act Amendments of 1990); the United States Federal Water Pollution Control Act; the United States Hazardous Materials Transportation Act; the United States Federal Toxic Substances Control Act; the United States Federal Resource Conservation and Recovery Act of 1976; the United States National Environmental Policy Act; the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C.
Section 9601 et seq., as amended ("CERCLA"); the Canadian EPA; the Ontario EPA; and all amendments thereto, and all rules and regulations promulgated by any Governmental Authority thereunder.

"Environmental Permit" shall mean any permit, approval, identification number, license, certificate, or other authorization of a Governmental Authority required under any applicable Environmental Law.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended through the date hereof, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean any person or entity under common control with any of the Dy 4 Entities within the meaning of Section 414(b), (c), (m) or (o) of the Code and the regulations issued thereunder.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended through the date hereof, and the rules and regulations promulgated thereunder.

"Financial Statements" shall have the meaning specified in Section 4.6.

"Governmental Authority" shall mean any national, foreign, multinational, federal, state, provincial, municipal, local, or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or other judicial body.

"Governmental Order" shall mean any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered issued, made or rendered by any court, administrative agency or other Governmental Authority or by any arbitrator.

"Hazardous Materials" shall mean (i) all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R.300.5, (ii) all radioactive materials, asbestos and asbestos-containing materials, polychlorinated biphenyls, petroleum products and by-products, all solid, semi-solid, liquid or gaseous substances which are toxic, ignitable, corrosive, carcinogenic or otherwise dangerous to human, plant or animal health, and (iii) all substances defined or listed as "hazardous substances," "toxic substances," "hazardous waste," "toxic pollutants" in, or otherwise regulated under any Environmental Law, including the meanings ascribed to them in CERCLA, the Canadian EPA and the Ontario EPA as in effect from time to time and in any rules and regulations promulgated thereunder by any Governmental Authority.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Intellectual Property" shall mean the Owned Intellectual Property and the Licensed Intellectual Property.

"Inventories" shall mean all inventory, merchandise, finished goods, work in process, raw materials, parts, packaging, pallets, and supplies on hand (wherever located) and other personal property in transit, maintained or held by or for the Dy 4 Entities.

"IP Rights" shall mean any or all of the following throughout the world:
(i) all patents and applications therefore and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof ("Patents"); (ii) all inventions (whether patentable or not), invention disclosures and improvements, all trade secrets, proprietary information, know-how and technology ("Trade Secrets"); (iii) all works of authorship, copyrights, mask works, copyright and mask work registrations and applications ("Copyrights"); and (iv) all trade names, logos, trademarks and service marks; trademark and service mark registrations and applications ("Trademarks").

"IRS" shall mean the Internal Revenue Service of the United States.

"knowledge" shall mean, with respect to any specified Person, (i) if such Person is an individual, the actual knowledge of such Person, and (ii) if such Person is not an individual, the actual knowledge of any executive officer (or other individual serving in a similar capacity) of such Person.

"Law" shall mean any treaty, statute, law, ordinance, regulation, rule, code, foreign, international, multinational, Governmental Order, constitution, or other requirement enacted, entered or promulgated by any Governmental Authority.

"Leased Real Property" shall mean the real property presently leased by or subject to an agreement to lease or sublease or other use or occupancy agreement by any of the Dy 4 Entities as tenant.

"Liabilities" shall mean any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable.

"Licensed Intellectual Property" shall mean all material IP Rights licensed or sublicensed to any of the Dy 4 Entities from a third party.

"Loss" or "Losses" shall have the meaning specified in Section 10.2.

"Material Adverse Effect" shall mean any circumstance involving any change in or effect on the Business that is materially adverse to the Business, operations, Assets or Liabilities, results of operations or financial condition of the Dy 4 Entities, taken as a whole; provided, however, that none of the following shall be deemed, either alone or in combination, to constitute a Material Adverse

Effect: any circumstance, change or effect resulting from or arising out of (i) the announcement of this Agreement or the pendency of the transactions contemplated by this Agreement; (ii) the performance by Sellers, Dy 4 Systems and Dy 4 (US) of their respective obligations under this Agreement or as required by applicable Law or accounting requirements; (iii) general economic conditions in the United States, Canada or other countries where any of the Dy 4 Entities conduct the Business; (iv) general conditions in the industries in which any of the Dy 4 Entities conduct the Business; (v) any natural disaster or any acts of terrorism, sabotage, military action or war (whether or not declared) or any escalation or worsening thereof; or (vi) any failure by any of the Dy 4 Entities to meet projections or forecasts for any period ending on or after the date of this Agreement.

"Material Contracts" shall have the meaning specified in Section 4.15.

"Officer's Certificate" shall have the meaning specified in Section 10.4.

"Ontario EPA" shall mean the Environmental Protection Act (Ontario), as amended from time to time, and the rules and regulations promulgated thereunder.

"ordinary course of business" shall mean an action taken by a Dy 4 Entity only if such action is consistent with the past practices of the Dy 4 Entity and is taken in the ordinary course of its normal day-to-day operations; such action is not required to be specifically authorized by the board of directors or stockholders of the Dy 4 Entity; and such action is similar in nature and magnitude to actions customarily taken without specific authorization by the board of directors or stockholders.

"Owned Intellectual Property" shall mean all material IP Rights owned by any of the Dy 4 Entities.

"Owned Real Property" shall mean the real property presently owned by any of the Dy 4 Entities, together with all buildings and other structures, facilities or improvements currently or hereafter located thereon.

"Permits" shall have the meaning specified in Section 4.13.

"Permitted Encumbrances" shall mean such of the following as to which no enforcement, collection, execution, levy or foreclosure proceeding shall have been commenced: (i) Encumbrances for Taxes, assessments, charges, levies or other claims not yet delinquent, or the validity of which are being contested in good faith and adequately reflected or reserved against in the Reference Balance Sheet and, to the extent incurred in the ordinary course of business after the Reference Balance Sheet Date, adequately reflected or reserved against in the consolidated financial statements of Dy 4 Systems and Dy 4 (US) in accordance with U.S. GAAP applied in a manner consistent with the Reference Balance Sheet; (ii) Encumbrances imposed by Law, such as materialmen's, mechanics' carriers', workmen's and repairmen's liens and other similar liens for amounts not yet delinquent, or the validity of which are being contested in good faith; (iii) pledges or deposits to secure obligations under workers' compensation Laws or similar legislation or to secure public or statutory obligations; (iv) Encumbrances, irregularities, easements, reserves, servitudes, encroachments, rights of way or other imperfections of title or possession the existence of which do

not materially interfere with the present use of the affected property; and (v) registered easements, rights-of-way, restrictive covenants and servitudes and other similar rights in land granted to, reserved or taken by any Governmental Authority or public utility; or any registered subdivision, development, servicing, site plan or other similar agreement with any Governmental Authority or public utility.

"Person" shall mean any individual, general or limited partnership, firm, corporation, joint venture, association, estate, trust, labor union, unincorporated organization, or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Exchange Act through the date hereof and any Governmental Authority.

"Post-Closing Period" shall mean any taxable period or portion of a period that begins after the Closing Date.

"Pre-Closing Period" shall mean any taxable period or portion of a period that begins on or before the Closing Date and ends on the Closing Date.

"Purchase Price" shall mean One Hundred Ten Million Dollars ($110,000,000) less the Adjustment Amount, if any, determined in accordance with the provisions of Section 2.2(b).

"Purchaser" shall have the meaning specified in the preamble to this Agreement.

"Purchaser Indemnified Parties" shall have the meaning specified in Section 10.2.

"Real Property" shall mean the Leased Real Property and the Owned Real Property.

"Receivables" shall mean any and all accounts receivable, notes and other amounts receivable owed to any of the Dy 4 Entities from third parties (not including Solectron or any of its Subsidiaries), arising from the conduct of the Business, together with all unpaid financing charges accrued thereon.

"Reference Balance Sheet Date" shall mean August 29, 2003.

"Reference Balance Sheet" shall mean the audited consolidated balance sheet of the Dy 4 Entities dated as of August 29, 2003, a copy of which is set forth in Section 4.6 of the Disclosure Schedule.

"Registered IP Rights" shall mean all United States, Canadian, international and foreign: (i) patents and applications for patents (including provisional applications); (ii) registered trademarks or service marks; and
(iii) registered copyrights; in each case that are the subject of an application, certificate, filing, registration or other document issued, filed with or recorded by any Governmental Authority.

"Regulations" shall mean the Treasury Regulations (including Temporary Regulations) promulgated by the United States Department of Treasury with respect to the Code or other federal tax statutes.

"Related Person" shall mean (i) any Person that directly or indirectly controls, is directly or indirectly controlled by, or is directly or indirectly under common control with such specified Person; (ii) any Person that holds a Material Interest in such specified Person; (iii) each Person that serves as a director, officer, partner, executor, or trustee of such specified Person (or in a similar capacity); (iv) any Person in which such specified Person holds a Material Interest; and (v) any Person with respect to which such specified Person serves as a general partner or a trustee (or in a similar capacity).

For purposes of this definition, the term "Material Interest" means direct or indirect beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) of voting securities or other voting interests representing at least 5% of the outstanding voting power of a Person or equity securities or other equity interests representing at least 5% of the outstanding equity securities or equity interests in a Person. The Sellers shall be deemed to be Related Persons of the Dy 4 Entities.

"Release" shall mean any release, spill, emission, discharge, pouring, emptying, escaping, leaking, pumping, injection, deposit, disposal, dispersal, or leaching into the environment (including, without limitation, ambient air, surface water, groundwater and surface or subsurface strata, including the abandonment or discarding of barrels, containers, and other receptacles containing Hazardous Materials) or into or out of any property (including but not limited to any structure or equipment), including the migration or other movement of Hazardous Materials through or in the air, soil, surface water or groundwater.

"Securities Act" shall mean the Securities Act of 1933, as amended through the date hereof.

"Seller Indemnified Parties" shall have the meaning specified in Section 10.2.

"Sellers" shall have the meaning specified in the preamble to this Agreement.

"Shares" shall have the meaning specified in the recitals to this Agreement.

"Straddle Period" shall mean any taxable period that begins before and ends after the Closing Date.

"Subsidiary" shall mean, with respect to any Person, any other corporation, limited liability company, general or limited partnership, unincorporated association, trust or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association, trust or other business entity, a majority of the partnership or other similar

ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof.

"Tax" or "Taxes" shall mean any and all taxes, fees, levies, duties, tariffs, imposts, and other like charges (together with any and all interest, penalties, loss, damage, liability, expense, additions to tax and additional amounts or costs incurred or imposed with respect thereto) imposed by any government or taxing authority, including (i) taxes or other charges on or with respect to income, franchises, windfall or other profits, gross receipts, property, sales, use, capital gains, capital stock or shares, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth; (ii) taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value added, or gains taxes; and (iii) customs duties, tariffs, and similar charges, whether or not disputed and including any obligations to indemnify or otherwise assume or succeed to the Tax Liability of another Person.

"Tax Arbitrator" shall mean a nationally recognized accounting or law firm mutually acceptable to Solectron and Purchaser engaged in a dispute related to a Tax Contest.

"Tax Attributes" shall mean net operating losses, capital losses and tax credits, and carryovers thereof, for purposes of federal income or state and provincial income or franchise taxes.

"Tax Contest" shall mean an audit, claim, dispute or controversy relating to Taxes.

"Tax Returns" shall mean all reports, returns, declarations, statements or other information required to be supplied to a taxing authority in connection with Taxes.

"Third Party Proceedings" shall have the meaning specified in Section 10.3.

"Threatened" shall mean with respect to a claim, Action, dispute, or other matter that a demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing), or if any other event has occurred or any other circumstances exist, that would lead a prudent Person to conclude that such a claim, Action, dispute, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the future.

"Transferred Employees" shall have the meaning specified in Section 6.11.

"Transferred Former Employees" shall have the meaning specified in Section 6.11.

"U.S. GAAP" shall mean United States generally accepted accounting principles and practices as in effect from time to time and applied consistently throughout the periods involved.

Section 1.2. Other Interpretive Provisions. With reference to this Agreement, unless otherwise specified herein, the following interpretive provisions shall apply:

(a) the meanings of defined terms are equally applicable to the singular and plural forms of such defined terms;

(b) the words "herein," "hereto," "hereof" and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision hereof;

(c) Article, Section, Exhibit and Schedule references are to this Agreement;

(d) the term "including" is by way of example and not limitation and "or" has the inclusive meaning of the phrase "and/or";

(e) the term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form;

(f) in the computation of periods of time from a specified date to a later specified date, (i) the word "from" shall mean "from and including;" (ii) the words "to" and "until" each mean "to but excluding;" and (iii) the word "through" shall mean "to and including";

(g) article and section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement; and words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing individuals shall include Persons and vice versa; and

(h) whenever anything is required to be done or any action is required to be taken hereunder on or by a day which is not a business day, then such thing may be validly done and such action may be validly taken on or by the next succeeding day that is a business day.

ARTICLE II

PURCHASE AND SALE

Section 2.1. Purchase and Sale of the Shares. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, each Seller shall sell, assign, transfer, convey and deliver to Purchaser or cause to be sold, assigned, transferred, conveyed and delivered to Purchaser, free and clear of any and all Encumbrances (other than restrictions on transfer under applicable U.S. federal and state and Canadian provincial securities laws), and Purchaser shall purchase, all Shares held by such Seller, as set forth opposite such Seller's name on Schedule I hereto.

Section 2.2. Purchase Price.

(a) In consideration for the sale of Shares pursuant to Section 2.1, upon the terms and subject to the conditions set forth in this Agreement, Purchaser shall pay to the Sellers the Purchase Price, such amount to be allocated among such Sellers in accordance with Schedule I hereto.

(b) Purchaser shall cause Dy 4 Systems to prepare a schedule ("Advance Payments Schedule") setting forth (i) the aggregate amount of all Advance Payments received by the

Dy 4 Entities or their affiliates in respect of the Advance Payments Contracts as of the Closing Date, less (ii) the aggregate amount of all Advance Payments attributable to (A) equipment or inventory purchased by the Dy 4 Entities or their affiliates in accordance with the terms of such Advance Payments Contracts, (B) work performed by the Dy 4 Entities or their affiliates under such Advance Payments Contracts, or (C) goods or services delivered by the Dy 4 Entities or their affiliates in accordance with the terms of such Advance Payments Contracts, in each case as of the Closing Date. In addition, Purchaser shall cause Dy 4 Systems to prepare a schedule ("Bonus Schedule") of the accrued, but unpaid bonus amounts payable to employees of the Dy 4 Entities. In connection with the preparation of the Bonus Schedule, bonus amounts for the partial quarterly period that includes the Closing Date shall be accrued in the proportionate amounts of the bonus metrics achieved as of the Closing Date. The difference between the amount set forth in clause (i) above, less the amount set forth in clause (ii) above, if a positive number, is referred to herein as the "Advance Payment Adjustment Amount". If the Advance Payment Adjustment Amount is a positive number, the "Adjustment Amount" will be the Advance Payment Adjustment Amount plus the amount of the unpaid bonuses reflected on the Bonus Schedule. If the Advance Payment Adjustment Amount is a negative number, the "Adjustment Amount" will be the amount of the unpaid bonuses reflected on the Bonus Schedule.

(c) Purchaser shall cause Dy 4 Systems to deliver the Advance Payments Schedule and Bonus Schedule (collectively, referred to herein as the "Adjustment Amount Schedule") to Solectron within sixty days after the Closing Date. If within thirty days following delivery of the Adjustment Amount Schedule, Solectron has not given Purchaser written notice of its objection to the Adjustment Amount Schedule (such notice must contain a statement of the basis of Solectron's objection in reasonable detail, including Solectron's calculation of the Adjustment Amount), then the Adjustment Amount, if any, produced pursuant to
Section 2.2(b) above based upon the Adjustment Amount Schedule shall be deemed conclusive, final and binding on the parties. If Solectron gives such written notice of objection, then the issues in dispute will be submitted to Ernst & Young LLP, certified public accountants (the "Accountants"), for resolution. If issues in dispute are submitted to the Accountants for resolution, (i) each party will furnish to the Accountants such workpapers and other documents and information relating to the disputed issues as the Accountants may request and are available to that party (or its independent public accountants), and will be afforded the opportunity to present to the Accountants any material relating to the determination and to discuss the determination with the Accountants; (ii) the determination by the Accountants, as set forth in a notice delivered to both parties by the Accountants, will be binding and conclusive on the parties.

(d) (i) Purchaser shall pay that portion of the fees of the Accountants equal to the fraction, the numerator of which is the difference between the Dy 4 Systems' calculation of the Adjustment Amount, minus the Accountants final calculation of the Adjustment Amount, and the denominator of which is the difference between the Dy 4 Systems' calculation of the Adjustment Amount, minus Solectron's calculation of the Adjustment Amount, and (ii) Solectron shall pay that portion of the fees of the Accountants equal to the fraction, the numerator of which is the difference between the Accountants final calculation of the Adjustment Amount, minus Solectron's calculation of the Adjustment Amount, and the denominator of which is the difference between the Dy 4

Systems' calculation of the Adjustment Amount, minus Solectron's calculation of the Adjustment Amount.

(e) On the tenth business day following the final determination of the Adjustment Amount, if any, Solectron will pay the Adjustment Amount to Purchaser. All payments will be made together with simple interest thereon from the Closing Date through the date of payment at the rate of interest published in The Wall Street Journal as of the Closing Date (or, if not a business day, as of the next business day) as the "prime rate." Payment must be made in immediately available funds for deposit in an account designated in writing to Parent by Purchaser.

Section 2.3. Closing. Upon the terms and subject to the conditions of this Agreement, the sale and purchase of Shares contemplated by this Agreement shall take place at a closing (the "Closing") to be held at Wilson Sonsini Goodrich & Rosati, P.C., One Market, Spear Tower, Suite 3300, San Francisco, California 94105, on such date and at such time as Solectron, on behalf of Sellers, and Purchaser may mutually agree, which date shall be no later than the second (2nd) business day after the satisfaction or valid waiver of the conditions set forth in Article VIII that are capable of being satisfied prior to the Closing (the day on which the Closing takes place being referred to herein as the "Closing Date").

Section 2.4. Closing Deliveries of Sellers. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, each Seller shall deliver, or cause to be delivered, to Purchaser the following:

(a) a stock certificate evidencing the Shares held by such Seller, duly endorsed in blank or accompanied by stock powers duly executed in blank; and

(b) each of the documents required to be delivered by Sellers pursuant to Section 8.3 that has not been delivered prior to the Closing.

Section 2.5. Closing Deliveries of Dy 4 Systems and Dy 4 (US). Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Dy 4 Systems and Dy 4 (US) shall deliver, or cause to be delivered, to Purchaser each of the documents required to be delivered by Dy 4 Systems and Dy 4 (US) pursuant to Section 8.3 that has not been delivered prior to the Closing.

Section 2.6. Closing Deliveries of Purchaser. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall deliver, or cause to be delivered:

(a) To Sellers, One Hundred Ten Million Dollars ($110,000,000), by wire transfer in immediately available funds to the bank account or accounts designated by Solectron in writing not fewer than two (2) business day prior to the Closing;

(b) To Sellers, each of the documents required to be delivered by Purchaser pursuant to Section 8.2 that has not been delivered prior to the Closing.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLERS

As an inducement to Purchaser to enter into this Agreement, each of the Sellers, hereby jointly represents and warrants to Purchaser that, except as set forth in the Sellers' Disclosure Schedule:

Section 3.1. Authority. Each of the Sellers has all necessary power and authority to enter into this Agreement and the Transition Services Agreement (to the extent it is a party thereto), to carry out such Person's obligations hereunder and thereunder, and to consummate the Contemplated Transactions. Each of this Agreement and the Transition Services Agreement has been duly executed and delivered by such Person, and (assuming due authorization, execution and delivery by Purchaser and each other party hereto) each of this Agreement and the Transition Services Agreement constitutes a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as such enforceability may be subject to the laws of general application relating to bankruptcy, insolvency, and the relief of debtors and rules of law governing specific performance, injunctive relief, or other equitable remedies.

Section 3.2. No Conflict. Assuming compliance with the notification requirements of the HSR Act and, if applicable, the Competition Act, and the making and obtaining of all filings, notifications, consents, approvals, authorizations and other actions referred to in Section 3.3, the execution, delivery and performance of this Agreement, and the Transition Services Agreement by each of the Sellers does not and will not (i) violate, conflict with or result in the breach of any provision of the charter or bylaws (or similar organizational documents) of such Person, (ii) conflict with or violate any Law or Governmental Order applicable to such Person or the Shares held thereby, or (iii) result in the creation of any Encumbrance (other than restrictions on transfer under applicable U.S. federal and state and Canadian provincial securities laws) on any of the Shares held by such Person pursuant to any material note, bond, mortgage, deed of trust, indenture, contract, agreement, lease, sublease, offer to lease, agreement to lease, license, permit, franchise or other instrument or arrangement to which such Person is a party or by which any of the Shares held by such Person is bound or affected, in each case which could reasonably be expected to have a material adverse effect on the ability of Sellers or any Dy 4 Entity to consummate the Contemplated Transactions.

Section 3.3. Governmental Consents and Approvals. The execution, delivery and performance of this Agreement and the Transition Services Agreement by such Person does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to any Governmental Authority, except the notification requirements of the HSR Act and any applicable foreign antitrust regulations, including the Competition Act.

Section 3.4. Ownership of Shares. Each Seller owns of record the Shares set forth opposite such Seller's name on Schedule I hereto, free and clear of all Encumbrances (other than restrictions on transfer under applicable U.S. federal and state and Canadian provincial securities laws) and upon consummation of the Contemplated Transactions, Purchaser shall have good and

valid title to the Shares free and clear of any Encumbrance (other than restrictions on transfer under applicable U.S. federal and state and Canadian provincial securities laws).

ARTICLE IV

ADDITIONAL REPRESENTATIONS AND WARRANTIES
OF SELLERS, DY 4 SYSTEMS AND DY 4 (US)

As an inducement to Purchaser to enter into this Agreement, each of the Sellers and Dy 4 Systems and Dy 4 (US) hereby represents and warrants to Purchaser that, except as set forth in the Disclosure Schedule:

Section 4.1. Organization and Qualification.

(a) Dy 4 Systems is a corporation duly organized, validly existing and in good standing under the laws of Ontario, and Dy 4 (US) is a corporation duly organized, validly existing and in good standing under the laws of Delaware, and each has all requisite power and authority to own, lease and operate its properties and to conduct its Business.

(b) Each of the Dy 4 Entities is duly qualified or licensed and in good standing to conduct its Business in each jurisdiction in which the property owned, leased or operated by it or the nature of the Business conducted by it makes such qualification or licensing necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing would not, individually or in the aggregate, have a Material Adverse Effect.

Section 4.2. Capitalization. The authorized capital stock of Dy 4 Systems consists of an unlimited number of shares of common stock. There is no other capital stock or equity security of Dy 4 Systems authorized for issuance. There are 8,692,296 shares of Dy 4 Systems common stock issued and outstanding, all of which outstanding shares are validly issued, fully paid and nonassessable and free of preemptive rights. The authorized capital stock of Dy 4 (US) consists of 20,000 shares of common stock and 2,000 shares of preferred stock, all of which are designated Series A Preferred Stock. There is no other capital stock or equity security of Dy 4 (US) authorized for issuance. There are 8,000 shares of Dy 4 (US) common stock and 2,000 shares of Dy 4 (US) Series A Preferred Stock issued and outstanding, all of which outstanding shares are validly issued, fully paid and nonassessable and free of preemptive rights. The Shares constitute all of the issued and outstanding shares of capital stock of Dy 4 Systems and Dy 4 (US). Except as set forth above there are not outstanding any
(i) securities of any Dy 4 Entity convertible into, or exchangeable or exercisable for, shares of capital stock or equity securities of Dy 4 Systems or Dy 4 (US), or (ii) options, warrants or other rights to acquire from any Dy 4 Entity any shares of capital stock or equity securities or securities convertible into or exchangeable or exercisable for shares of capital stock or equity securities of Dy 4 Systems or Dy 4 (US).

Section 4.3. Subsidiaries. Section 4.3 of the Disclosure Schedule sets forth, as of the date of this Agreement, a true and complete list of all of Dy 4 Systems' and Dy 4 (US)'s Subsidiaries, together with the jurisdiction of incorporation or organization of each Subsidiary. Dy 4 Systems has

delivered to Purchaser accurate and complete copies of the certificate of incorporation and bylaws (or similar governing documents), as currently in full force and effect, of each of Dy 4 Systems' and Dy 4 (US)'s Subsidiaries. All of the capital stock or other equity interests of each Subsidiary is owned of record by Dy 4 Systems or Dy 4 (US).

Section 4.4. Authority. Each of Dy 4 Systems and Dy 4 (US) has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by such Person, and (assuming due authorization, execution and delivery by Purchaser and each other party hereto) this Agreement constitutes a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, except as such enforceability may be subject to the laws of general application relating to bankruptcy, insolvency, and the relief of debtors and rules of law governing specific performance, injunctive relief, or other equitable remedies.

Section 4.5. No Conflict. The execution, delivery and performance of this Agreement by Dy 4 Systems and Dy 4 (US) does not and will not conflict in any material respect with, or result in any material breach of, constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, or result in the creation of any Encumbrance (excluding a Permitted Encumbrance) on any of the Assets or properties of Dy 4 Systems or Dy 4 (US) pursuant to, any material note, bond, mortgage, deed of trust, indenture, contract, agreement, lease, sublease, offer to lease, agreement to lease, license, permit, franchise or other instrument or arrangement to which Dy 4 Systems or Dy 4 (US) is a party or by which any of such other assets or properties is bound or affected, in each case which could reasonably be expected to have a Material Adverse Effect.

Section 4.6. Financial Statements. Dy 4 Systems and Dy 4 (US) have provided to the Purchaser the audited consolidated balance sheet and statement of income, changes in stockholders' equity and cash flows of Dy 4 Systems and Dy 4 (US) as of and for the fiscal year ended August 29, 2003. Such financial statements (collectively, the "Financial Statements") have been prepared in accordance with U.S. GAAP applied on a consistent basis throughout the periods covered thereby, fairly present in all material respects the financial condition, results of operations and cash flows of the Dy 4 Entities as of the respective date thereof and for the period referred to therein and are consistent in all material respects with the books and records of the Dy 4 Entities.

Section 4.7. No Undisclosed Liabilities. There are no Liabilities of any Dy 4 Entity other than Liabilities (i) adequately reflected or reserved against on the Reference Balance Sheet, (ii) identified in the Disclosure Schedule, (iii) in respect of IP rights, other than under the representations, warranties and covenants in this Agreement, (iv) arising out of one or more of the types of matters addressed in the representations, warranties, covenants or agreements made in this Agreement and (A) not required to be disclosed in the Disclosure Schedule by the terms of any such representation or warranty or (B) permitted to exist or be incurred by the terms of any such covenant or agreement, as the case may be, (v) covered by insurance, indemnification, contribution or comparable arrangements, (vi) incurred since the Reference Balance Sheet Date in the ordinary

course of business, (vii) for Taxes incurred or accrued in the ordinary course of business since the Reference Balance Sheet Date, or (viii) that would not reasonably be expected to have a Material Adverse Effect.

Section 4.8. Receivables. Except to the extent, if any, reserved for on the Reference Balance Sheet, all Receivables reflected on the Reference Balance Sheet relating to sale of Inventory or services arose from, and such Receivables existing on the Closing Date will have arisen from, the sale of Inventory or services to Persons not affiliated with any Dy 4 Entity and in the ordinary course of business.

Section 4.9. Inventories. Subject to amounts reserved therefor on the Reference Balance Sheet, (i) the values at which all Inventories are carried on the Reference Balance Sheet reflect the historical inventory valuation policy of the Dy 4 Entities and (ii) the Inventories are in good and merchantable condition in all material respects, are suitable and usable for the purposes for which they are intended.

Section 4.10. Conduct in the Ordinary Course; Absence of Material Adverse Effect. Since the Reference Balance Sheet Date, the Business has been conducted in the ordinary course of business and there has occurred no Material Adverse Effect and neither Sellers nor any Dy 4 Entity has any knowledge of any fact or matter which would reasonably be expected to have a Material Adverse Effect.

Section 4.11. Litigation. There are no Actions by or against any Dy 4 Entity, or affecting any of the Assets of the Business, pending before, or to the knowledge of Sellers, Dy 4 Systems or Dy 4 (US), Threatened to be brought by or before, any Governmental Authority or by any other Person that could reasonably be expected to have a Material Adverse Effect. No Dy 4 Entity, nor any of their respective assets or properties, is subject to any material Governmental Order, nor, to the knowledge of Sellers or any Dy 4 Entity, are there any such material Governmental Orders Threatened to be imposed by any Governmental Authority that could reasonably be expected to have a Material Adverse Effect.

Section 4.12. Compliance with Laws. Each Dy 4 Entity has conducted and continues to conduct the Business in accordance with all Laws and Governmental Orders applicable to such Dy 4 Entity, as the case may be, or the Assets or the Business, except as would not reasonably be expected to have a Material Adverse Effect, and no Dy 4 Entity is in violation of, and to the knowledge of Sellers or any Dy 4 Entity, no Dy 4 Entity is Threatened with any violation, of any such Law or Governmental Order, except as would not reasonably be expected to have a Material Adverse Effect.

Section 4.13. Permits. No Dy 4 Entity is in violation of or default under, and to the knowledge of Sellers or any Dy 4 Entity, no Dy 4 Entity is Threatened with any violation of any permit, license, franchise or authorization from any Governmental Authority or any other Person used in its Business as presently conducted and material to the Business (collectively, the "Permits") and no Permit will be revoked, terminated prior to its normal expiration date or not renewed solely as a result of the consummation of the transactions contemplated by this Agreement, except, in all

cases, for any violation, default, revocation, termination or renewal that, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect.

Section 4.14. Environmental Matters.

(a) Each Dy 4 Entity is, and at all times has been, in compliance in all material respects with, and has not been and is not in violation of or liable under any Environmental Law, in any material respect. Neither Sellers nor any Dy 4 Entity has, nor has any other Person for whose conduct a Dy 4 Entity is or may be held responsible under Law or by contract or agreement, received, any actual or, to the knowledge of Sellers or the Dy 4 Entities, Threatened order, notice, or other communication from (i) any Governmental Authority or other Person acting in the public interest, or (ii) the current or prior owner or operator of any Real Property, alleging on the part of any Dy 4 Entity or Person for whose conduct a Dy 4 Entity is or may be responsible under Law or by contract or agreement, any actual or potential violation of or failure to comply with any Environmental Law, or of any actual or, to the knowledge of Sellers or any Dy 4 Entities, Threatened Environmental Claim or obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Real Property or any other properties or assets (whether real, personal, or mixed) in which a Dy 4 Entity has had an interest, or with respect to any Real Property or any other property or facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by a Dy 4 Entity, or any other Person for whose conduct they are or may be held responsible under Law or by contract or agreement, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed of, recycled, or received.

(b) There are no pending or, to the knowledge the Sellers or any Dy 4 Entities, Threatened Environmental Claims or Encumbrances (other than Permitted Encumbrances), resulting from any Environmental, Health, and Safety Liabilities or arising under or pursuant to any Environmental Law, with respect to or affecting any of the Real Property or any other properties and assets (whether real, personal, or mixed) in which a Dy 4 Entity has or had an interest.

(c) Neither Sellers nor a Dy 4 Entity has, nor has any of them or any other Person for whose conduct they are or may be held responsible under Law or by contract or agreement, received, any citation, directive, inquiry, notice, Governmental Order, summons, warning, or other communication that relates to Hazardous Materials or any activity involving Hazardous Materials alleging on the part of such party actual, or potential violation of or failure to comply with any Environmental Law, or of any alleged, actual, or potential Environmental Claim or other obligation to undertake or bear the cost of any Environmental, Health, and Safety Liabilities with respect to any of the Real Property or any other properties or assets (whether real, personal, or mixed) in which a Dy 4 Entity has had an interest, or with respect to any Real Property or any other property or facility at or to which Hazardous Materials were generated, manufactured, refined, transferred, imported, used, or processed by a Dy 4 Entity, or any other Person for whose conduct they are or may be held responsible under Law or by contract or agreement, or from which Hazardous Materials have been transported, treated, stored, handled, transferred, disposed of, recycled, or received. No Dy 4 Entity is subject to any judgment, decree, order or citation (involving any Dy 4 Entity or any of their

affiliates) related to or arising out of any Environmental Laws. No Dy 4 Entity has been named or listed as a potentially responsible party by any Governmental Authority in any matter arising under any Environmental Law, except as would not be reasonably likely to result in a material Liability to any Dy 4 Entity.

(d) Except as would not be reasonably likely to result in a material Liability to any Dy 4 Entity, neither Sellers nor a Dy 4 Entity, nor any other Person for whose conduct a Dy 4 Entity is or may be held responsible under Law or by contract or agreement, is subject to or received any notice of any Environmental Claim or Environmental, Health, and Safety Liabilities with respect to the Real Property or with respect to any other properties and assets (whether real, personal, or mixed) in which a Dy 4 Entity (or any predecessor), has or had an interest, or with respect to any property geologically or hydrologically adjoining the Real Property or any such other property or assets.

(e) There are no Hazardous Materials present on or in the Environment at the Real Property or at any geologically or hydrologically adjoining property, including any Hazardous Materials contained in barrels, above or underground storage tanks, landfills, land deposits, dumps, equipment (whether moveable or fixed) or other containers, either temporary or permanent, or deposited or located in land, water, sumps, or any other part of the Real Property or such adjoining property, or incorporated into any structure therein or thereon, except the presence of which would not be reasonably likely to result in a material liability to any Dy 4 Entity. Neither Sellers nor a Dy 4 Entity, nor any other Person for whose conduct a Dy 4 Entity is or may be held responsible under Law or by contract or agreement, nor to the knowledge of Sellers or any Dy 4 Entity, any other Person, has permitted or conducted, or is aware of, any activity involving Hazardous Materials conducted with respect to the Real Property or any other properties or assets (whether real, personal, or mixed) in which a Dy 4 Entity has or had an interest, except as would not be reasonably likely to result in a material Liability to any Dy 4 Entity.

(f) Except as would not be reasonably likely to result in a material Liability to any Dy 4 Entity, there has been no Release or, to the knowledge of Sellers or any Dy 4 Entity, Threat of Release, of any Hazardous Materials at or from the Real Property or, to the knowledge of Sellers and each Dy 4 Entity, at any other locations where any Hazardous Materials were generated, manufactured, refined, transferred, produced, imported, used, or processed from or by a Dy 4 Entity, or from or by any other properties and assets (whether real, personal, or mixed) in which a Dy 4 Entity has or had an interest, or any geologically or hydrologically adjoining property, whether by the Sellers, a Dy 4 Entity, or any other Person.

(g) The Dy 4 Entities have delivered to the Purchaser complete copies and results of any reports, studies, analyses, tests, or monitoring possessed or initiated by the Sellers or a Dy 4 Entity pertaining to Hazardous Materials or any activity involving Hazardous Materials in, on, or under the Real Property, or concerning compliance by each Dy 4 Entity, or any other Person for whose conduct a Dy 4 Entity is responsible under Law or by contract or agreement, with Environmental Laws.

(h) To the Sellers' or any Dy 4 Entity's knowledge, there are not now nor have there ever been, any underground storage tanks on, under or at any real estate now or heretofore owned or leased by a Dy 4 Entity which contain or contained Hazardous Materials, which, if known to be present in soils or ground water, may reasonably be expected to require a Cleanup for which any of the Dy 4 Entities may be held liable.

(i) To the Sellers' or any Dy 4 Entity's knowledge, each Dy 4 Entity has in full force and effect all Permits and other approvals required to be maintained under any Environmental Laws applicable to a Dy 4 Entity or any Real Property, except where the failure to hold or maintain same would not have a Material Adverse Effect.

Section 4.15. Material Contracts.

(a) For purposes hereof, the term "Material Contracts" shall mean all contracts or agreements, written or oral, to which any Dy 4 Entity is bound:

(i) for the purchase by a Dy 4 Entity of goods involving anticipated annual payments, in the case of contracts with suppliers, in excess of $250,000, or, with anticipated annual receipts, in the case of contracts with customers, in excess of $1,000,000 and in either case that are not terminable upon notice of 90 days or less without material penalty;

(ii) pertaining to employment, consulting or severance arrangements with any officer, director, or employee of a Dy 4 Entity (other than offer letters with respect to "at will" employment or as required by Law or any collective bargaining agreement);

(iii) relating to the borrowing of money or the guaranteeing or securing of any obligation for borrowed money (including letters of credit) involving an amount in excess of $100,000, except in the ordinary course in connection with accounts payable;

(iv) relating to leases, licenses, installment and conditional sale agreements, and other contracts affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any personal property, provided in each case such contract involves an amount in excess of $50,000 per annum;

(v) relating to Leased Real Property, rental or occupancy agreements, and other contracts affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real property, provided in each case such contract involves an amount in excess of $100,000 per annum;

(vi) relating to collective bargaining agreements or other contracts with any labor union;

(vii) relating to any material joint venture partnership or similar legal relationship;

(viii) that prohibit a Dy 4 Entity from freely engaging in any business in any specified geographical area or from soliciting customers;

(ix) relating to licenses and other agreements concerning (A) Owned Intellectual Property, or (B) Licensed Intellectual Property, provided in each case (1) annual payments or receipts of greater than $500,000 were attributable to such license or agreement in fiscal year 2003 and annual payments or receipts of greater than $500,000 are reasonably anticipated to be attributable to such license or agreement in fiscal year 2004, or (2) such license or agreement is otherwise material to the operation of the Business; and

(x) not otherwise described that are material to the conduct of the Business as currently conducted, or that are not entered into in the ordinary course of business, and that involve payments or expenditures in excess of $100,000 over its term.

(b) Section 4.15(b) of the Disclosure Schedule sets forth a complete list, as of the date hereof, of all Material Contracts that any of the Dy 4 Entities is party to or by which any of them is bound. Except as would not reasonably be expected to have a Material Adverse Effect, (i) each Material Contract is valid, binding and enforceable against the Dy 4 Entity party to such Material Contract, (ii) each Dy 4 Entity has performed, in all material respects, all obligations under the Material Contracts required to be performed by it and, to the knowledge of Sellers, Dy 4 Systems and Dy 4 (US), no Dy 4 Entity has received any written claim of any material default under any Material Contract and (iii) neither Dy 4 Systems nor Dy 4 (US) has knowledge of any material breach or anticipated breach by any other party to any Material Contract.

(c) Section 4.15(c) of the Disclosure Schedule sets forth a complete list, as of the date hereof, of all Advance Payments Contracts. Except as would not reasonably be expected to have a Material Adverse Effect, (i) each Advance Payments Contract is valid, binding and enforceable against the Dy 4 Entity party to such Advance Payments Contract, (ii) each Dy 4 Entity has performed, in all material respects, all obligations under the Advance Payments Contracts required to be performed by it and, to the knowledge of Sellers, Dy 4 Systems and Dy 4 (US), no Dy 4 Entity has received any written claim of any material default under any Advance Payments Contract and (iii) neither Dy 4 Systems nor Dy 4 (US) has knowledge of any material breach or anticipated breach by any other party to any Advance Payments Contract.

Section 4.16. Intellectual Property.

(a) Each of the Dy 4 Entities owns or has the right to use all IP Rights necessary for, or used in, the operation of its Business (the "Dy 4 Intellectual Property"), except for any failure to own or have the right to use Dy 4 Intellectual Property that would not reasonably be expected to have a Material Adverse Effect.

(b) Section 4.16 of the Disclosure Schedule lists each item of Registered IP Rights included within Owned Intellectual Property. Each item of Owned Intellectual Property is owned free and clear of all Encumbrances, except Permitted Encumbrances. The rights of the Dy 4 Entities in or to the Owned Intellectual Property do not infringe the IP Rights of any other Person,

and neither the Sellers nor Dy 4 Systems or Dy 4 (US) has received any claim or written notice from any Person to such effect.

Section 4.17. Real Property. Section 4.17 of the Disclosure Schedule lists the address of each parcel of Owned Real Property and Leased Real Property, including whether such Real Property is being held for sale or is leased or subleased by any of the Dy 4 Entities to a third party. Each parcel of Owned Real Property is owned free and clear of all Encumbrances (other than Permitted Encumbrances), and each parcel of Leased Real Property is leased under a valid and subsisting lease, sublease, offer to lease or agreement to lease. Dy 4 Systems has, or caused to be, made available to Purchaser copies of each deed, lease, sublease, offer to lease or agreement to lease, as the case may be, and all written amendments thereto, relating to the Real Property. Each lease, sublease, offer to lease or agreement to lease relating to the Leased Real Property is in full force and effect, and no Dy 4 Entity is in default of any lease, sublease, offer to lease or agreement to lease in any material respect.

Section 4.18. Assets. "Assets" means all of the Dy 4 Entities' right, title and interest in and to all of the material properties and assets used in the conduct of the Business. The Dy 4 Entities own, or in the case of leased or subleased Assets, have valid and subsisting leasehold interests in, all of the Assets, free and clear of all Encumbrances, except Permitted Encumbrances. The Assets represent all the assets necessary to conduct the Business as presently being conducted by each Dy 4 Entity.

Section 4.19. Employee Matters and Benefit Plans.

(a) Section 4.19(a) of the Disclosure Schedule contains a complete and accurate list of all "employee benefit plans" within the meaning of 'SS'3 (3) of ERISA, all material bonus, stock option, stock purchase, incentive, deferred compensation, supplemental retirement, severance and other employee benefit plans, programs or arrangements, and all material employment or compensation agreements, in each case for the benefit of, or relating to, current employees and/or former employees of the Dy 4 Entities (collectively, the "Employee Plans"). All Employee Plans (and each related trust, insurance contract or fund) have been maintained, funded and administered, in all material respects, in accordance with their terms and in compliance in all material respects with the requirements prescribed by applicable Law, and the Dy 4 Entities have performed all material obligations required to be performed by any of them under, and are not in any material respect in violation of the terms of, any of the Employee Plans. Each Employee Plan which is intended to meet the requirements of section 401(a) of the Code has received a determination letter from the IRS that such Employee Plan is so qualified and no facts or circumstances exist that could likely result in the loss of such qualified status. There have been no prohibited transactions (as defined in section 406 of ERISA and section 4975 of the Code) with respect to any Employee Plan or any Employee Plan maintained by an ERISA Affiliate, excluding transactions effected in compliance with an enforceable statutory or administrative exemption pursuant to section 408 of ERISA. To the knowledge of Sellers or any Dy 4 Entities, no fiduciary has any liability for material breach of fiduciary duty or any other material failure to act or comply in connection with the administration or the investment of the assets of any Employee Plan. No Action, proceeding,

hearing, or investigation with respect to the administration or the investment of the assets of any Employee Plan (other than routine claims for benefits) is pending or, to the knowledge of Sellers or any Dy 4 Entity, Threatened. No Dy 4 Entity contributes to, or has any obligation to contribute to, or has any material liability under or with respect to any Employee Plan that is a "defined benefit plan" (as defined in section 3 (35) of ERISA). For each Employee Plan that is sponsored by a Dy 4 Entity, Dy 4 Systems has, or has caused to be, made available to Purchaser copies of: (i) each Employee Plan and summary plan description of each Employee Plan; (ii) the most recent annual actuarial valuations, if any, prepared for each Employee Plan; (iii) if the Employee Plan is funded, the most recent annual and periodic accounting of Employee Plan assets; (iv) the most recent determination letter received from the IRS with respect to any Employee Plan that is intended to be a qualified plan under section 401(a) of the Code; (v) the most recent annual report (Form 5500) with applicable attachments; and (vi) all trust agreements, insurance contracts and other funding arrangements which are related to any Employee Plan. For each Employee Plan, Dy 4 Systems has, or has caused to be, made available to Purchaser a copy of a summary plan description of each Employee Plan.

(b) There are no Employee Plans subject to Title IV of ERISA or
Section 412 of the Code. No Dy 4 Entity or any ERISA Affiliate, contributes to, has any obligation to contribute to, or has any material Liability (including withdrawal liability as defined in section 4201 of ERISA) under or with respect to any "multiemployer plan" (as defined in section 3(37) of ERISA).

(c) No Employee Plan provides, or reflects or represents any Liability or potential Liability to provide post-termination or retiree welfare benefits to any person for any reason, except as may be required by COBRA or other applicable Law. The execution of this Agreement and the consummation of the transactions contemplated hereby will not (either alone or upon termination of employment following such transactions) constitute an event under any Employee Plan that will or may result in any payment (whether of severance pay or otherwise), forgiveness of indebtedness or accelerated vesting with respect to any current employees or former employees of the Dy 4 Entities. No payment or benefit which will or may be made by a Dy 4 Entity with respect to any "disqualified individual" in connection with the transactions contemplated by this Agreement (as defined in Code Section 280G and the regulations thereunder) is reasonably likely to be characterized as a "parachute payment," within the meaning of Section 280G(b)(2) of the Code.

(d) With respect to each employee benefit plan (as such term is defined in Section 3(3) of ERISA) that any ERISA Affiliate maintains, to which any of them contributes or has any obligation to contribute, or with respect to which any of them has any Liability or potential Liability:

(i) no such employee benefit plan that is an "Employee Pension Benefit Plan", as defined in section 3(2) of ERISA that is subject to Title IV of ERISA (other than a "Multiemployer Plan" as defined in section 3(37) of ERISA), has been completely or partially terminated or been the subject of a "reportable event" within the meaning of Section 4043 of ERISA. No proceeding by the Pension Benefit Guaranty Corporation ("PBGC") to terminate any such Employee Pension Benefit Plan (other than any Multiemployer Plan) has been instituted or Threatened. The market value of the assets under each such employee benefit plan that is an

Employee Pension Benefit Plan (other than a Multiemployer Plan) equals or exceeds the present value of all vested and non-vested Liabilities thereunder determined in accordance with PBGC methods, factors, and assumptions applicable to an Employee Pension Benefit Plan terminating on the date of determination.

(ii) none of the Dy 4 Entities has incurred, and Parent does not expect that any Dy 4 Entity will incur, any Liabilities to the PBGC (other than with respect to any PBGC premiums not yet due) or otherwise under Title IV of ERISA or under the Code with respect to any such employee benefit plan which is an Employee Pension Benefit Plan.

Section 4.20. Taxes.

(a) Except to the extent that any failure does not have a Material Adverse Effect, (i) all material Tax Returns required to be filed with respect to the Dy 4 Entities have been timely filed and were correct and complete in all material respects, (ii) all Taxes shown due and owing on such Tax Returns have been paid, (iii) no Dy 4 Entity is currently the beneficiary of any extension of time to file any Tax Return, (iv) no material adjustment relating to any of such Tax Returns has been proposed formally or, to the knowledge of Dy 4 Systems or Dy 4 (US), informally by any Tax authority, and (v) no Dy 4 Entity has any actual or potential liability for any Tax obligation of any taxpayer (including without limitation any Affiliated Group) other than the Dy 4 Entities, including any obligation under any tax allocation or sharing agreement, under Section 1.1502-6 of the Regulations or any similar provision of Law, as a transferee or successor, by contract, or otherwise. No representation or warranty is made regarding the availability or utility of Tax Attributes or the amount thereof.

(b) The Dy 4 Entities have, or have caused to be, made available to Purchaser copies of all Tax Returns filed with respect to the Dy 4 Entities, all Tax audit records with respect to such Tax Returns, examination reports, and statements of deficiencies assessed against, or agreed to by any Dy 4 Entity. No such Tax Return is the subject of any pending audit proceedings and no Seller or any Dy 4 Entity has received any notice of any proposed audit of any such Tax Return. The statute of limitations in respect of Taxes of the Affiliated Group or any Dy 4 Entity has not been waived, which waiver is still outstanding, and no extension of time with respect to any Tax assessment or deficiency of the Affiliated Group or any Dy 4 Entity is currently still in effect.

(c) The unpaid Taxes of the Dy 4 Entities (i) did not, as of the date of the Reference Balance Sheet, exceed the reserve for Tax Liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) established in accordance with US GAAP on the face of the Reference Balance Sheet (rather than in any notes thereto) and (ii) will not exceed that reserve as adjusted for operations and transactions through the Closing Date in accordance with the past custom and practice of the Dy 4 Entities in filing their Tax Returns.

(d) No Dy 4 Entity will be required to include any item of income in, or exclude any deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) change of accounting method for a taxable period ending on or

before the Closing Date, (ii) "closing agreement" (as defined in section 7121 of the Code or corresponding or similar provision of any other applicable Law) entered into before the Closing Date, (iii) intercompany transactions or any excess loss account described in Treasury Regulations under section 1502 of the Code (or any corresponding or similar provision of any other applicable Law),
(iv) installment sale or open transaction disposition made on or before the Closing Date, or (v) prepaid amount received on or before the Closing Date.

Section 4.21. Brokers. Except for Morgan Stanley & Co. Incorporated and/or one or more affiliates thereof, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any agreement, arrangement or understanding made by or on behalf of such Person. Solectron shall be solely responsible for payment of the fees and expenses of Morgan Stanley & Co. Incorporated and its affiliates.

Section 4.22. Books and Records. The books of account, minute books, stock record books, and other records of each Dy 4 Entity, all of which have been made available to the Purchaser, are complete and correct in all material respects. The books of account and financial records of each Dy 4 Entity represent actual, bona fide transactions and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls. All of these books and records are and at Closing will be in the possession of the respective Dy 4 Entity.

Section 4.23. Certain Payments. Since December 31, 2001, neither a Dy 4 Entity nor, to Sellers' or any Dy 4 Entity's knowledge, any director, officer, agent, or employee of a Dy 4 Entity, or any other Person associated with or acting for or on behalf of a Dy 4 Entity, has directly or indirectly (a) made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services (i) to obtain favorable treatment in securing business for a Dy 4 Entity, (ii) to pay for favorable treatment for business secured for a Dy 4 Entity, (iii) to obtain special concessions or for special concessions already obtained, for or in respect of a Dy 4 Entity, or (iv) in violation of any Law for the benefit of or on behalf of a Dy 4 Entity, or (b) established or maintained any fund or asset for the benefit or on behalf of a Dy 4 Entity that has not been recorded in the books and records of a Dy 4 Entity.

Section 4.24. Relationships With Related Persons. No Related Person of a Dy 4 Entity has any interest in any of the Assets. No Related Person of a Dy 4 Entity owns (of record or as a beneficial owner), an equity interest or any other financial or profit interest in, a Person that has (a) had material business dealings or a material financial interest in any transaction with a Dy 4 Entity, or (b) engaged in direct competition with a Dy 4 Entity with respect to any line of services of a Dy 4 Entity, other than for non-material interests in a publicly traded company. Except (i) as set forth in Section 4.24 of the Disclosure Schedule, (ii) as will be paid at or prior to Closing as set forth in
Section 6.16, or (iii) as compensation to employees in the ordinary course of business, no Related Person of a Dy 4 Entity is a party to any Material Contract with, or has any claim or right against, a Dy 4 Entity. No Related Person of a Dy 4 Entity has any outstanding loans, or guarantees of

indebtedness, from a Dy 4 Entity (other than travel and expense advances incurred in accordance with existing established policies of the Dy 4 Entities and in the ordinary course of business).

Section 4.25. Labor Relations; Compliance.

(a) No Dy 4 Entity has been nor is a party to any collective bargaining or other labor contract. There has not been, there is not presently pending or existing, and to Sellers' or any Dy 4 Entity's knowledge, there is not Threatened, (i) any strike, slowdown, picketing, work stoppage, or employee grievance process, (ii) any Action against or affecting a Dy 4 Entity relating to the alleged violation of any Law pertaining to labor relations or employment matters, including any charge or complaint filed by an employee or union with the National Labor Relations Board, the Equal Employment Opportunity Commission, or any comparable Governmental Authority, organizational activity, or other labor or employment dispute against or affecting a Dy 4 Entity or its premises, except as would not result in material liability to the Dy 4 Entities, or (iii) any application for certification of a collective bargaining agent. To the Sellers' or any Dy 4 Entity's knowledge, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute. There is no lockout of any employees by a Dy 4 Entity, and no such action is contemplated by a Dy 4 Entity. Each Dy 4 Entity has complied in all material respects with all Laws relating to employment, employment practices, terms and conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, collective bargaining, the payment of withholding, social security and similar Taxes, occupational safety and health, and plant closing in each case with respect to their current and former employees. No Dy 4 Entity is liable for the payment of any material compensation, damages, Taxes, fines, penalties, or other amounts, however designated, for failure to comply in all material respects with any of the foregoing Laws.

(b) No notice has been received by Dy 4 Systems nor, to the knowledge of Sellers or any Dy 4 Entity, has any complaint been Threatened or filed by any Dy 4 Systems employee which has not been resolved claiming that Dy 4 Systems has materially violated the Employment Standards Act (Ontario) or the Human Rights Code (Ontario) or any applicable employee or human rights or similar legislation in this or the other jurisdictions in which Dy 4 Systems operates, or of any complaints or proceedings which might not have been resolved, of any kind involving Dy 4 Systems, to the Sellers' or Dy 4 Systems' knowledge, after due inquiry, by any Dy 4 Systems employee before any labor relations board.

(c) There are no outstanding orders or charges or, to the knowledge of Sellers' or any Dy 4 Entity, potential or Threatened orders or charges against Dy 4 Systems under the Occupational Health and Safety Act (Ontario) (or any applicable health and safety legislation in the other jurisdictions in which Dy 4 Systems carries on its Business).

(d) All complaints, appeals, premiums, levies, assessments and penalties required to be paid by Dy 4 Systems pursuant to the Workers' Compensation Act (Ontario) and/or the Workplace Safety and Insurance Act (Ontario) (and any applicable workers' compensation legislation in the other jurisdictions in which Dy 4 Systems carries on the Business) have been paid

by Dy 4 Systems, and Dy 4 Systems has not been reassessed or, to its knowledge, Threatened with any assessment under any such legislation except such as have been resolved.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASER

As an inducement to Sellers to enter into this Agreement, Purchaser hereby represents and warrants to each of the Sellers as follows:

Section 5.1. Organization and Authority. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Delaware, and has all necessary corporate power and authority to enter into this Agreement and the Transition Services Agreement, and to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of each of this Agreement and the Transition Services Agreement by Purchaser, the performance by Purchaser of all of its obligations hereunder and thereunder, and the consummation by Purchaser of the transactions contemplated hereby and thereby, have been duly authorized and approved by all requisite action on the part of Purchaser. This Agreement and the Transition Services Agreement have been duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by each party thereto) constitute legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their terms, except as such enforceability may be subject to the laws of general application relating to bankruptcy, insolvency, and the relief of debtors and rules of law governing specific performance, injunctive relief, or other equitable remedies.

Section 5.2. No Conflict. Assuming compliance with the notification requirements of the HSR Act and, if applicable, the Competition Act, and the making and obtaining of all filings, notifications, consents, approvals, authorizations and other actions referred to in Section 5.3, the execution, delivery and performance of this Agreement and the Transition Services Agreement by Purchaser does not and will not (i) violate, conflict with or result in the breach of any provision of the charter or by-laws of Purchaser, (ii) conflict with or violate in any material respect any Law or Governmental Order applicable to Purchaser, or (iii) conflict in any material respect with, or result in any material breach of, constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, any material note, bond, mortgage, deed of trust, indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which Purchaser is a party or by which any of such assets or properties is bound or affected, in each case which could reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the Contemplated Transactions.

Section 5.3. Governmental Consents and Approvals. The execution, delivery and performance of this Agreement and the Transition Services Agreement by Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with, or notification to, any Governmental Authority, except (i) as described in a writing given to Solectron

by Purchaser on the date of this Agreement and (ii) the notification requirements of the HSR Act and any applicable foreign antitrust regulations, including the Competition Act.

Section 5.4. Private Placement.

(a) Purchaser understands that (i) the offering and sale of the Shares under this Agreement is intended to be exempt from the registration requirements of the Securities Act, and (ii) there is no existing public or other market for the Shares and there can be no assurance that Purchaser will be able to sell or dispose of the Shares.

(b) Purchaser is acquiring the Shares for its own account solely for the purpose of investment and not with a view to, or for offer or sale in connection with, any distribution thereof.

(c) Purchaser is an "accredited investor" as such term is defined in Regulation D promulgated under the Securities Act.

(d) Purchaser is not a broker-dealer subject to Regulation T promulgated by the Board of Governors of the Federal Reserve System.

(e) Purchaser has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the Shares, and Purchaser is capable of bearing the economic risks of such investment, including a complete loss of its investment in the Shares.

(f) Purchaser has been given the opportunity to ask questions of, and receive answers from the Sellers and the Dy 4 Entities concerning the transactions contemplated by this Agreement, the Shares and other related matters. Dy 4 Systems has, or has caused to be, made available to Purchaser or its agents all documents and information requested by or on behalf of Purchaser relating to an investment in the Shares. In evaluating the suitability of an investment in the Shares, Purchaser has not relied upon any representations or other information (whether oral or written) made by or on behalf of the Dy 4 Entities or any Seller other than as contemplated by the two preceding sentences and Article III and Article IV hereof.

(g) Purchaser understands that it may not sell or dispose of any of the Shares other than pursuant to a registered offering, unless otherwise exempt from the registration requirements of the Securities Act.

Section 5.5. Investigation.

(a) Without in any way affecting Purchaser's right to rely on the representations and warranties of the Sellers and the Dy 4 Entities set forth herein, Purchaser (i) has made its own inquiry and investigation into, and, based thereon, has formed an independent judgment concerning the Dy 4 Entities and the Business, (ii) has been furnished with or given adequate access to such information about the Dy 4 Entities and the Business as it has requested, and
(iii) understands that none of Sellers, or any Dy 4 Entity is making any representation or warranty with respect to the

Business or the operations, assets, liabilities or financial condition of a Dy 4 Entity, other than as specifically set forth in this Agreement.

(b) In connection with Purchaser's investigation of the Dy 4 Entities and the Business, Purchaser has received from Dy 4 Systems and Dy 4 (US) certain estimates, projections, forecasts, plans and budgets for the Business. Purchaser
(i) understands that there are uncertainties inherent in attempting to make such projections, forecasts, plans and budgets, (ii) is familiar with such uncertainties, (iii) is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, forecasts, plans and budgets furnished to it, (iv) will not assert any claim against any Seller or any of their respective directors, officers, employees, agents, stockholders, affiliates, consultants, counsel, accountants, investment bankers or representatives, or hold any Seller or any such other persons liable, with respect to such estimates, projections, forecasts, plans and budgets, and (v) understands that none of the Sellers is making any representation or warranty with respect to any estimates, projections, forecasts, plans or budgets referred to in this Section 5.5.

Section 5.6. Financing. Purchaser now has funds sufficient to consummate the transactions contemplated by this Agreement and will have such funds at the Closing.

Section 5.7. Litigation. Except as set forth in a writing given to Solectron by Purchaser on the date of this Agreement, no claim, Action, or proceeding is pending or, to the knowledge of Purchaser, Threatened, which seeks to delay or prevent the consummation of, or which could reasonably be expected to materially adversely affect Purchaser's ability to consummate, the Contemplated Transactions.

Section 5.8. Brokers. Except for Philpott Ball & Werner, Inc., no broker, finder or investment banker may be entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any agreement, arrangement or understanding, written or oral, made by or on behalf of Purchaser. Purchaser shall be solely responsible for payment of the fees and expenses of Philpott Ball & Werner, Inc.

ARTICLE VI

ADDITIONAL AGREEMENTS

Section 6.1. Conduct of Business by Dy 4 Entities. Except as permitted, required or contemplated by this Agreement, including those actions contemplated in Section 6.1 of the Disclosure Schedule, during the period commencing on the date hereof and ending on the Closing Date, the Dy 4 Entities will conduct the Business in the ordinary course of business, and Dy 4 Systems and Dy 4 (US) will not, and will cause each of its Subsidiaries to not, do any of the following, unless expressly contemplated by this Agreement or approved or consented to in writing by Purchaser (which consent will not be unreasonably delayed, conditioned or withheld):

(a) Amend the certificate of incorporation or by-laws or similar governing documents of a Dy 4 Entity;

(b) (i) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof), except for (A) by a wholly-owned Subsidiary of Dy 4 Systems or Dy 4 (US) to a Dy 4 Entity, or (B) by a Dy 4 Entity to Solectron or its Subsidiaries in the ordinary course of business in connection with intercompany cash management, or
(ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock;

(c) authorize for issuance, issue, sell, deliver or agree or commit to issue, sell or deliver (i) any capital stock of, or other equity or voting interest in, Dy 4 Systems or Dy 4 (US) or (ii) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire either (A) any capital stock of, or other equity or voting interest in, Dy 4 Systems or Dy 4 (US), or (B) any securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire, any capital stock of, or other equity or voting interest in, Dy 4 Systems or Dy 4 (US).

(d) incur or assume any material indebtedness for borrowed money or guarantee any such indebtedness which individually is in excess of $100,000, other than in the ordinary course of business;

(e) permit any of its assets to become subjected to any material Encumbrance, other than Permitted Encumbrances;

(f) sell, lease or otherwise dispose of any of its material assets, except for the disposition of inventory and obsolete assets in the ordinary course of business;

(g) acquire or agree to acquire by merging or consolidating with, or by purchasing a material portion of the assets or equity securities of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to the Business;

(h) make, commit to make, or incur any capital expenditure which individually is in excess of $250,000, except capital expenditures reasonably required in the event of exigent circumstances or which are funded by insurance or other third parties;

(i) make any material change in any method of accounting or accounting practice or policy other than in accordance with U.S. GAAP or as required by applicable Law or authoritative interpretation of such Law;

(j) grant to any of its employees a material increase in compensation, except in the ordinary course of business and as may be required under existing agreements;

(k) modify or amend in any material manner, terminate (except in accordance with its terms or in the ordinary course of business), or enter into any Material Contract (except in the ordinary course of business), provided that a Dy 4 Entity may make modifications or

amendments to a Material Contract (i) in the ordinary course of business that does not materially increase the obligations of the Dy 4 Entities in an adverse manner or (ii) associated with renewals of such Material Contract in the ordinary course of business;

(l) subject to Section 7.2, make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended Tax Return, enter into any closing agreement, settle any Tax claim or assessment relating to the Dy 4 Entities, surrender any right to claim a refund of Taxes, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment relating to any Dy 4 Entity, or take any similar action relating to the filing of any Tax Return or the payment of any Tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the Tax liability of any Dy 4 Entity for any period ending after the Closing Date or decreasing any Tax attribute of any Dy 4 Entity existing on the Closing Date, provided that Tax Returns and amended Tax Returns may be filed in the ordinary course of business and may include carrybacks of net operating losses and other Tax attributes to the extent attributable to the Pre-Closing Period; or

(m) agree to do any of the foregoing.

Section 6.2. Access to Information. Subject to the terms of the Confidentiality Agreement, from the date hereof until the Closing, upon reasonable notice, each of Dy 4 Systems and Dy 4 (US) shall, and shall cause their respective officers, directors, employees, agents, representatives, accountants and counsel to, afford the officers, employees and authorized agents, representatives, accountants, counsel and any debt financing sources of Purchaser reasonable (but non-intrusive) access, during normal business hours upon reasonable notice, to the offices, properties, plants, other facilities, books and records of each Dy 4 Entity and to those officers, directors, employees, agents, representatives, accountants and counsel of the Dy 4 Entities who have any knowledge relating to the Business, Assets, financial condition and operations of each of the Dy 4 Entities; provided, however, that Purchaser and its officers, employees and authorized agents, representatives, accountants, counsel and financing sources shall not unreasonably interfere with the business and operations of the Dy 4 Entities.

Section 6.3. Confidentiality. The terms of the Confidentiality Agreement are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time, except as set forth below, such Confidentiality Agreement and the obligations of the parties under this Section 6.3 shall terminate; provided, however, that (i) the seventh paragraph of the Confidentiality Agreement (Non-Solicitation) shall remain in full force and effect in accordance with its terms and (ii) the Confidentiality Agreement shall terminate only in respect of that portion of the Evaluation Material (as defined in the Confidentiality Agreement) exclusively relating to the Contemplated Transactions. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall continue in full force and effect.

Section 6.4. Nonsolicitation. Each of the Sellers agrees that, from the Closing Date through July 29, 2005, they shall not, and shall cause their affiliates not to, solicit to employ (or entertain a solicitation to be employed by) any of the officers, directors or employees of any Dy 4

Entity, so long as they are employed by any Dy 4 Entity, without obtaining the prior written consent of the Purchaser; provided, however, Sellers or their affiliates shall not be precluded from hiring such officer, director or employee who (i) has been terminated by the Dy 4 Entity prior to commencement of employment discussions between any Seller or its affiliate and such officer, director or employee, or (ii) is responding, on his or her own initiative, to a general advertisement for employment not directed at any Dy 4 Entity.

Section 6.5. Regulatory Authorizations. Each of the parties hereto shall use commercially reasonable efforts to obtain all authorizations, consents, orders and approvals of all Governmental Authorities that may be or become necessary for the consummation of the Contemplated Transactions and shall cooperate fully with each other in promptly seeking to obtain all such authorizations, consents, orders and approvals. Each party hereto shall make an appropriate filing pursuant to the HSR Act and, if necessary, the Competition Act with respect to the transactions contemplated by this Agreement promptly after the date hereof and shall supply as promptly as practicable to the appropriate Governmental Authorities any additional information and documentary material that may be requested or required pursuant to the HSR Act and the Competition Act. Each party hereto shall make any required filing(s), if necessary, pursuant to the applicable foreign antitrust regulations, including without limitation the Competition Act, with respect to the transactions contemplated by this Agreement promptly after the date hereof and shall supply as promptly as practicable to the appropriate Governmental Authorities any additional information and documentary material that may be requested or required pursuant thereto. Purchaser and Solectron shall share equally all filing fees related to compliance with HSR and the Competition Act.

Section 6.6. Third Party Consents. The Sellers and the Dy 4 Entities shall use reasonable efforts to obtain all such third party consents and estoppel certificates as Purchaser may reasonably request (provided that, except as expressly set forth herein, no Seller or Dy 4 Entity shall be required to pay any fee or make any payment to obtain any such consent or estoppel certificate). Purchaser shall cooperate and use reasonable efforts to assist the Sellers and the Dy 4 Entities in obtaining such consents and estoppel certificates. Notwithstanding the foregoing, Purchaser understands and agrees that the procurement of any such third party consents and estoppel certificates (regardless of whether any such consent or estoppel certificate is identified on
Section 4.5 of the Disclosure Schedule) is not a condition to Purchaser's obligation to effect the Closing.

Section 6.7. Conveyance Taxes. Purchaser shall be liable for and shall hold Sellers harmless against any transfer, stock transfer and stamp Taxes, any transfer, recording, registration and other fees, and any similar Taxes and fees (including, without limitation, real property transfer taxes in connection with Owned Real Property) which become payable in connection with the sale and purchase of the Shares pursuant to this Agreement.

Section 6.8. Further Action. Each of the parties hereto shall use commercially reasonable efforts to take, or cause to be taken, all appropriate action, do or cause to be done all things necessary, proper or advisable under applicable Law, and execute and deliver such documents and other papers, as may reasonably be required to carry out the provisions of this Agreement and

consummate and make effective the transactions contemplated by this Agreement, and to vest in Purchaser good and valid title to the Shares.

Section 6.9. Director and Officer Liability and Indemnification. For a period of seven (7) years after the Closing, Purchaser shall not, and shall cause each Dy 4 Entity not to amend, repeal or modify any provision in its certificate of incorporation or bylaws (or similar governing documents) or pursuant to other instruments of agreements in effect on the date hereof relating to the exculpation or indemnification of present and former officers and directors of the Dy 4 Entities (unless required by Law or the rules of any stock exchange or self-regulatory organization), it being the intent of the parties that such officers and directors of the Dy 4 Entities prior to the Closing shall continue to be entitled to such exculpation and indemnification after the Closing Date to the fullest extent permitted under applicable law until the expiration of the applicable statute of limitations. The parties agree that Purchaser shall purchase directors and officers liability insurance coverage for purposes of indemnifying and insuring persons covered by such insurance of the Dy 4 Entities, as the case may be, immediately prior to the Closing Date, which coverage shall be on terms and in amounts at least as favorable to such persons as they were on the Closing Date.

Section 6.10. Contact with Customers and Suppliers. Purchaser and its representatives shall contact and communicate with the employees, customers, suppliers, licensees and licensors of the Dy 4 Entities in connection with the transactions contemplated hereby only with the prior written consent of Solectron (or its designee, as evidenced by a writing delivered to Purchaser by Solectron), which consent shall not be unreasonably withheld, delayed or conditioned except that such consent may be conditioned upon a designee of Solectron being present at any such meeting or conference.

Section 6.11. Employees.

(a) For the period commencing on the Closing Date and ending on the one-year anniversary of the Closing Date (or such longer period as may be required by the terms of any collective bargaining agreement or applicable law) (the "Continuation Period"), Purchaser shall provide, or cause the Dy 4 Entities to provide, those persons employed by the Dy 4 Entities immediately prior to the Closing, including those employees on vacation, leave of absence, disability or sick leave or layoff, and, where applicable, their eligible dependents (whether or not such employees return to active employment with such Dy 4 Entity) (the "Transferred Employees"), with employee benefits and base pay that are substantially equivalent to, or more favorable than, the benefits and base pay that such Transferred Employees received or were entitled to receive under the Employee Plans immediately prior to the Closing. Purchaser shall also maintain the employee benefit plans of the Dy 4 Entities identified in Section 6.11(a) of the Disclosure Schedule for applicable Transferred Employees participating in such plans immediately prior to Closing (subject to the terms of such plans) through the one-year anniversary of the Closing Date, and shall make such payments as are required by such plans. During the Continuation Period or such longer period as may be required under the terms of any applicable Employee Plan, Purchaser shall continue to provide, or cause the Dy 4 Entities to provide, those former employees of a Dy 4 Entity who were employed prior to the Closing (the "Transferred Former Employees") with employee benefits and base pay that are substantially equivalent to, or more favorable than, the benefits and base pay that

such Transferred Former Employees were entitled under the Employee Plans or applicable collective bargaining agreements immediately prior to the Closing.

(b) Purchaser shall use reasonable best efforts to cause its medical, dental and other health and welfare plans to (i) waive any preexisting condition limitations for conditions covered under the applicable medical, dental or other health or welfare plans of the Dy 4 Entities (the "Welfare Plans") and any waiting periods for such plans, and (ii) credit Transferred Employees and Transferred Former Employees with any deductible and out-of-pocket expenses incurred by such employees and their dependents under the Welfare Plans during the portion of 2003 preceding the Closing Date for purposes of satisfying any applicable deductible or out-of-pocket requirements under any similar welfare benefit plan in which such employees may be eligible to participate after the Closing Date.

(c) Upon the Closing Date, Purchaser shall honor or cause the Dy 4 Entities to honor in accordance with their terms all individual employment, severance and other compensation agreements then existing between the Dy 4 Entities and any employee, director or officer thereof, except as otherwise agreed in writing by Purchaser and such Person. Purchaser shall assume and be responsible for all liabilities with respect to each Transferred Employee's and Transferred Former Employee's accrued vacation and for any Employee Plan that is sponsored by a Dy 4 Entity and to which Seller is not a sponsor or participating employer.

(d) Effective no later than the Closing Date, each Transferred Employee that is U.S. based employee shall be eligible to participate in a defined contribution plan which is maintained by Purchaser, is qualified under
Section 401(a) of the Code and includes a qualified cash or deferred arrangement, within the meaning of Section 401(k) of the Code (the "Purchaser
401(k) Plan"). The Purchaser and the Dy 4 Entities shall effectuate the plan-to-plan transfer of accounts maintained on behalf of Transferred Employees from each defined contribution plan which is maintained by the Dy 4 Entities or one of its ERISA Affiliates, is qualified under Section 401(a) of the Code and includes a qualified cash or deferred arrangement, within the meaning of Section 401(k) of the Code to the Purchaser 401(k) Plan, as soon as administratively practicable after the Closing Date and in accordance with applicable Laws (including the Code, ERISA and any laws and regulations with respect to applicable black-out periods).

(e) To the extent that service is relevant for purposes of eligibility, vesting or benefit accrual under any employee benefit plan, program or arrangement established or maintained by Purchaser or any Dy 4 Entity for the benefit of Transferred Employees or Transferred Former Employees, such plan, program or arrangement shall credit such employees or former employees for service on or prior to the Closing with a Dy 4 Entity.

(f) Purchaser will establish no later than the Closing Date, such employee benefit plans as to provide each Transferred Employee and Transferred Former Employee (and, where applicable, their eligible dependents) with substantially equivalent or more favorable benefits than those received (or entitled to receive) under the Employee Plans prior to the Closing Date and will continue to maintain and sponsor such benefit plans through at least the one-year anniversary of the

Closing Date. Purchaser shall further adopt and sponsor each Employee Plan that is sponsored by a Dy 4 Entity and to which Seller is not a sponsor or participating employer.

(g) Purchaser will establish prior to Closing a registered retirement savings plan ("RRSP") or defined contribution pension plan ("DC Plan") for the benefit of employees of the Dy 4 Entities based in Canada and will permit such employees to transfer, where applicable, their account balances from the DC Plan and RRSP(s) of Sellers or their Affiliates to such RRSP or DC Plan of Purchaser. The transfers described herein shall comply with applicable Law, and each party shall make all filings and take any actions required of such party by applicable Law in connection therewith. To the extent permitted by Law, participants in the RRSP(s) of Sellers or their Affiliates shall be given full service credit for all service with the Dy 4 Entities for purposes of eligibility and vesting under the RRSP or DC Plan of Purchaser.

(h) For purposes of this Section 6.11, references to "Purchaser" shall mean the Purchaser, together with its Subsidiaries (including without limitation the Dy 4 Entities after Closing).

Section 6.12. Use of Solectron's Name.

(a) Within three (3) months after the Closing, the Purchaser shall:

(i) remove "Solectron", "C-MAC" or any other similar mark and any other trademark, design or logo previously or currently used by Solectron (the "Solectron Marks") from all buildings, signs and vehicles of Purchaser; and

(ii) cease using the Solectron Marks in electronic databases, web sites, product instructions, packaging and other materials, printed or otherwise (all such materials, together with buildings, signs and vehicles, the "Marked Assets").

(b) Immediately after the Closing, Purchaser shall cease using the Solectron Marks in all invoices, letterhead, advertising and promotional materials, office forms and business cards.

(c) From and after the Closing, Purchaser shall use reasonable best efforts to remove the Solectron Marks from all assets of the Dy 4 Entities (including all Marked Assets); provided that in no event shall Purchaser use the Solectron Marks after the six month anniversary of the Closing Date.

(d) Purchaser acknowledges and agrees that Solectron is the owner of the Solectron Marks and all goodwill attached thereto. This Agreement does not give Purchaser the right to use the Solectron Marks except in accordance with this Agreement. Purchaser agrees not to attempt to register the Solectron Marks nor to register anywhere in the world a mark same as or similar to the Solectron Marks.

(e) In no event shall Purchaser advertise or hold itself out as Solectron (or an affiliate of Solectron or otherwise associated with Solectron) after the Closing Date.

(f) For purposes of this Section 6.12, references to "Solectron" shall mean Solectron, together with its Subsidiaries, and references to "Purchaser" shall mean the Purchaser, together with its Subsidiaries (including without limitation the Dy 4 Entities after Closing).

Section 6.13. No Shop. Until the sooner to occur of the consummation of the Contemplated Transactions or the termination of this Agreement, Purchaser shall have the exclusive right to negotiate with Sellers regarding the acquisition of the Shares (and/or any material assets of each Dy 4 Entity, other than the disposition of inventory or obsolete assets in the ordinary course of business) contemplated hereby and neither Sellers nor any Dy 4 Entity will solicit or conduct any negotiations with any other party for the sale or other disposition, by merger or otherwise, of any Dy 4 Entity, its shares of capital stock, or any of its material assets or properties (other than the disposition of inventory or obsolete assets in the ordinary course of business). In no event shall the provisions of this Section 6.13 survive termination of this Agreement.

Section 6.14. Certain Subsidiaries. Solectron shall use commercially reasonable efforts to have Dy 4 Systems Australia Pty Limited and Dy 4 Systems International Ltd. dissolved and liquidated prior to the Closing Date, and in the event that such Subsidiaries are not dissolved and liquidated prior to Closing, Solectron shall promptly reimburse Purchaser for any reasonable costs and expenses that it incurs associated with such dissolution and liquidation. Solectron hereby agrees to indemnify and hold Purchaser harmless from any Liabilities that Purchaser or any of its affiliates may incur attributable to the dissolution and liquidation of such Subsidiaries.

Section 6.15. Transition Services. Solectron and Purchaser shall consider and negotiate in good faith with respect to any amendment to the Transition Services Agreement necessary to incorporate any additional transition services that are identified after the date hereof.

Section 6.16. Satisfaction and Release of Certain Indebtedness. At or prior to Closing, (i) all direct or indirect indebtedness of any kind owed by any Dy 4 Entity to Solectron or any of its Subsidiaries (other than a Dy 4 Entity) and
(ii), if applicable, all direct or indirect indebtedness of Solectron or any of its Subsidiaries (other than a Dy 4 Entity) which is guaranteed by any Dy 4 Entity or in respect of which any Dy 4 Entity is liable, shall either be paid in full or such Dy 4 Entity shall be released from any obligations in respect thereof, in either case with no further Liability to such Dy 4 Entity or any affiliate thereof (including Purchaser) as of and after the consummation of the Contemplated Transactions. At or prior to Closing, all indebtedness of any kind owed by Solectron or any of its Subsidiaries (other than a Dy 4 Entity) to any Dy 4 Entity shall be paid in full. At the Closing, Solectron shall execute and deliver, or cause to be executed and delivered, to Purchaser one or more releases in form and substance reasonably satisfactory to Purchaser and its counsel releasing each Dy 4 Entity and its affiliates for any and all Liabilities attributable to or arising under all direct or indirect indebtedness referred to in clause (i) above, and if applicable, clause (ii) above.

Section 6.17. Foreign Currency.

(a) After the Closing, no Dy 4 Entity shall incur or suffer any Liability under, nor receive any benefit from, any foreign currency hedging or other derivative financial instrument (including options, forward and futures contracts, repurchase agreements and swap agreements, and any combinations thereof) entered into by any Seller or any of their affiliates ("Hedging Instruments"). Any asset or liability upon which such Hedging Instruments are based and that are reflected on the financial statements of Dy 4 Systems and Dy
4 (US) will be distributed to, or assumed by, Solectron immediately prior to Closing, and any such asset or liability will be eliminated from the financial statements of Dy 4 Systems and Dy 4 (US) as of the Closing.

(b) Promptly after the date hereof, Purchaser shall consider and negotiate in good faith with respect to the assumption or transfer of the Hedging Instruments (and/or the associated loss or gain) of Solectron obtained with respect to the Dy 4 Entities; provided, however, that Purchaser shall have no obligation to assume or transfer such Hedging Instruments.

Section 6.18. Intercompany Accounts; Cash and Cash Equivalents. Notwithstanding anything in this Agreement to the contrary, immediately prior to Closing, (i) all accounts receivable of Dy 4 Systems and Dy 4 (US) owing from Solectron or any of its Subsidiaries (other than a Dy 4 Entity) shall be distributed, forgiven or otherwise eliminated, (ii) all accounts payable owing to Solectron or any of its Subsidiaries (other than a Dy 4 Entity) shall be assumed, forgiven or otherwise eliminated, and (iii) all cash and cash equivalents of Dy 4 Systems and Dy 4 (US) shall be distributed to Solectron.

ARTICLE VII

TAX MATTERS

Section 7.1. Liability for Taxes.

(a) Solectron shall indemnify the Purchaser Indemnified Parties against all Taxes relating or attributable to any Dy 4 Entity and any related Losses incurred or suffered by Purchaser which are attributable to the Pre-Closing Period.

(b) Purchaser shall indemnify Solectron for all Losses for Taxes relating or attributable to any Dy 4 Entity incurred or suffered by Solectron which are attributable to the Post-Closing Period.

(c) With respect to any Straddle Period, Losses for Taxes will be allocated between the Pre-Closing Period and the Post-Closing Period by closing the books at the end of the Closing Date, except that Tax items of a periodic nature, such as depreciation allowances calculated on an annual basis, shall be allocated by apportioning a pro rata portion of such Taxes to each day in the relevant Straddle Period.

(d) Solectron shall not be required to indemnify the Purchaser Indemnified Parties for reductions in net operating loss carryovers, Tax credits or similar Tax attributes. Solectron shall not be required to indemnify the Purchaser Indemnified Parties against Losses for Taxes attributable to the Pre-Closing Period to the extent such Losses for Taxes are reduced under applicable Law by reason of net operating loss carryovers, Tax credits and similar Tax attributes arising in the Pre-Closing Period (assuming for the purposes of this sentence that such attributes are not used to reduce Taxes in the Post-Closing Period).

Section 7.2. Tax Return Filing.

(a) Except as set forth in Section 7.2(b) Purchaser shall control and be responsible for the filing of all Tax Returns required to be filed with respect to the Dy 4 Entities after the Closing Date with respect to any Straddle Period or Post-Closing Period. All such Tax Returns shall be completed in accordance with past practice to the extent permitted by applicable Law. Purchaser shall make all payments required with respect to any such Tax Return, subject to reimbursement and indemnification by Solectron pursuant to Sections 7.1(a) and 7.2(c).

(b) Solectron shall control and be responsible for the preparation and filing of all Tax Returns due after the Closing Date that relate to the Dy 4 Entities and are (i) Affiliated Group Tax Returns which include Pre-Closing Period operations and (ii) Tax Returns for any Dy 4 Entity which are not Straddle Period Tax Returns for which Purchaser has responsibility under Section
7.2(a). All such Tax Returns shall be completed in accordance with past practice to the extent permitted by applicable Law. Solectron shall make all payments required with respect to any such Tax Return, subject to reimbursement and indemnification by Purchaser pursuant to Sections 7.1(b) and 7.2(c).

(c) In the event that Solectron or Purchaser is liable for any Taxes paid by the other party with respect to any Tax Return, prompt reimbursement shall be made.

Section 7.3. Tax Contests; Audit Responsibilities.

(a) If Purchaser receives notice of a Tax Contest with respect to which the Dy 4 Entities could reasonably be expected to cause Solectron or any Solectron affiliate to have an indemnification obligation under this Article VII, then Purchaser shall notify Solectron in writing of such Tax Contest within thirty (30) days of receiving such notice; provided, however, that Purchaser's failure to provide such notice shall not release Solectron from any indemnification obligation hereunder unless Solectron loses its right to contest such Tax Contest as a result of such failure to notify. Solectron shall have the right to control the conduct and resolution of such Tax Contest, provided, however, that Solectron may decline to participate in such Tax Contest. If Solectron controls the conduct of such Tax Contest, Solectron regularly shall advise Purchaser of the status of such Tax Contest and shall not resolve such Tax Contest, to the extent such Tax Contest relates to Post-Closing Period Taxes, without Purchaser's written consent, which consent shall not be unreasonably delayed, conditioned or withheld. If Solectron declines to control such Tax Contest, then the Purchaser shall have the right to control the conduct of such Tax Contest, provided, however, that Purchaser shall regularly advise Solectron of the status of such Tax Contest and shall

not resolve such Tax Contest without Solectron's written consent, which consent shall not be unreasonably delayed, conditioned or withheld. Each party shall bear its own costs for participating in such Tax Contest, subject to any indemnification provided under Section 7.1.

(b) In the event of a dispute between Solectron and Purchaser regarding the conduct or resolution of any Tax Contest or claim for indemnification under this Article VII, such dispute shall be referred to a Tax Arbitrator. The decision of the Tax Arbitrator shall be final and binding, and its fees and costs shall be shared equally by the disputing parties. Each party shall bear its own costs for participating in such dispute resolution.

(c) Any net refunds and credits attributable to the payment of Taxes for a Pre-Closing Period shall be for the account of Solectron.

(d) To the extent not inconsistent with the provisions of this Section 7.3, the procedures of Article X shall apply in the case of any claim for Losses related to Taxes.

Section 7.4. Cooperation. Each of Solectron and Purchaser shall:

(a) provide assistance to each other party as reasonably requested in preparing and filing Tax Returns and responding to Tax audits or Tax authority disputes;

(b) make available to each other party as reasonably requested all information, records, and documents relating to Taxes concerning the Dy 4 Entities, including information required by Solectron for Tax Returns required to be filed after Closing which relate to Pre-Closing Periods; and

(c) retain any books and records that could reasonably be expected to be necessary or useful in connection with any preparation by any other party of any Tax Return, or for any audit, examination, or proceeding relating to Taxes. Such books and records shall be retained until the expiration of the applicable statute of limitations (including extensions thereof) or applicable time for any appeals, if relevant.

Section 7.5. 338(h)(10) Election; Purchase Price Allocation.

(a) If Purchaser so requests: (i) Solectron agrees that Solectron and Purchaser will treat the purchase of the Dy 4 (US) Shares hereunder as a deemed sale of assets by Dy 4 (US), pursuant to Section 338(h)(10) of the Code, and
(ii) Solectron, Solectron Canada ULC, Dy 4 (US) and Purchaser will make a timely and effective joint election under Section 338(h)(10) of the Code (the "Section
338(h)(10) Election").

(b) In the event of a Section 338(h)(10) Election, Solectron and Purchaser shall mutually agree following the Closing on the allocation of Purchase Price between the Dy 4 (US) Shares and Dy 4 Systems Shares and on the allocation of Purchase Price among the assets of Dy 4 (US), and shall jointly prepare and timely file IRS Form 8023 in connection with the Section 338(h)(10) Election.

ARTICLE VIII

CONDITIONS TO CLOSING

Section 8.1. Conditions to Obligations of Sellers and Purchaser. The obligations of each Seller and Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) HSR Act and Competition Act. Any waiting period (and any extension thereof) under the HSR Act and Competition Act applicable to the purchase of the Shares contemplated by this Agreement shall have expired or shall have been terminated.

(b) Regulatory Approvals. Purchaser and the Dy 4 Entities shall have received all authorizations, consents, orders and approvals of all Governmental Authorities, including but not limited to any authorizations, consents, orders and approvals under the Competition Act or other applicable foreign antitrust regulatory approvals that are reasonably required to consummate the transactions contemplated by this Agreement.

(c) No Governmental Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law or Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting the consummation of the transactions contemplated by this Agreement.

(d) No Proceeding or Litigation. No Action shall have been commenced by or before any Governmental Authority seeking to restrain or materially and adversely alter the transactions contemplated by this Agreement which, in the reasonable, good faith determination of Solectron or Purchaser is expected to prevent the parties from consummating such transactions contemplated this Agreement; provided, however, that the provisions of this Section 8.1(d) shall not apply to any party which has directly or indirectly solicited or encouraged any such Action.

Section 8.2. Additional Condition to Obligations of Sellers. The obligations of each Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of:

(a) Representations and Warranties of Purchaser. (i) The representations and warranties of Purchaser contained in this Agreement that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, with the same force and effect as if made as of the Closing Date (other than such representations and warranties as are made as of another date, which shall have been true and correct in all material respects as of such other date), and (ii) the representations and warranties of Purchaser contained in this Agreement that are qualified by materiality shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date (other than such representations and warranties as are made as of another date, which shall have been true and correct as of such other date); provided, however, that in order to fail to satisfy this closing condition, any failure of the representations and warranties

to be true and correct, whether or not qualified by materiality, individually or in the aggregate, must be material in the context of the Agreement taken as a whole.

(b) Compliance with Covenants. The covenants and agreements contained in this Agreement to be complied with by Purchaser on or before the Closing shall have been complied with in all material respects.

(c) Purchaser Certificate. Purchaser shall have delivered to Solectron a certificate executed by an authorized officer of Purchaser to the effect that each of the conditions specified in clauses (a) and (b) of this Section 8.2 is satisfied in all respects.

Section 8.3. Additional Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following additional conditions:

(a) Representations and Warranties of Sellers. (i) The representations and warranties of Sellers contained in this Agreement that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, with the same force and effect as if made as of the Closing Date (other than such representations and warranties as are made as of another date, which shall have been true and correct in all material respects as of such other date), and (ii) the representations and warranties of Sellers contained in this Agreement that are qualified by materiality shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date (other than such representations and warranties as are made as of another date, which shall have been true and correct as of such other date); provided, however, that in order to fail to satisfy this closing condition, any failure of the representations and warranties to be true and correct, whether or not qualified by materiality, individually or in the aggregate, must be material in the context of the Agreement taken as a whole.

(b) Representations and Warranties of Dy 4 Systems and Dy 4 (US). (i) The representations and warranties of Dy 4 Systems and Dy 4 (US) contained in this Agreement that are not qualified by materiality shall be true and correct in all material respects as of the Closing Date, with the same force and effect as if made as of the Closing Date (other than such representations and warranties as are made as of another date, which shall have been true and correct in all material respects as of such other date) and (ii) the representations and warranties of Dy 4 Systems and Dy 4 (US) contained in this Agreement that are qualified by materiality shall be true and correct as of the Closing Date, with the same force and effect as if made as of the Closing Date (other than such representations and warranties as are made as of another date, which shall have been true and correct as of such other date); provided, however, that in order to fail to satisfy this closing condition, any failure of the representations and warranties to be true and correct, whether or not qualified by materiality, individually or in the aggregate, must be material in the context of the Agreement taken as a whole.

(c) Compliance with Covenants.

(i) The covenants and agreements contained in this Agreement to be complied with by Sellers on or before the Closing shall have been complied with in all material respects.

(ii) The covenants and agreements contained in this Agreement to be complied with by Dy 4 Systems and Dy 4 (US) on or before the Closing shall have been complied with in all material respects.

(d) Sellers' Certificate. Solectron, on behalf of the Sellers, shall have delivered to Purchaser a certificate executed by an authorized officer of Solectron to the effect that each of the conditions specified in clauses (a) and
(c)(i) of this Section 8.3 is satisfied in all respects.

(e) Dy 4 Entities' Certificate. Dy 4 Systems and Dy 4 (US), on behalf of the Dy 4 Entities, shall have delivered to Purchaser a certificate executed by an authorized officer of each of Dy 4 Systems and Dy 4 (US), to the effect that each of the conditions specified in clauses (b) and (c)(ii) of this Section 8.3 is satisfied in all respects.

ARTICLE IX

TERMINATION AND WAIVER

Section 9.1. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Solectron, on behalf of Sellers, and Purchaser;

(b) by Solectron, on behalf of Sellers, or Purchaser, if the Closing shall not have occurred by March 2, 2004; provided, however, that this date shall be automatically extended to April 2, 2004, if all applicable waiting periods under HSR and the Competition Act have not either expired or been terminated; provided, further, however, that the right to terminate this Agreement under this Section 9.1(b) shall not be available to any party hereto whose actions or failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date and such actions or failure to act constitutes a breach of this Agreement;

(c) by Purchaser, by giving written notice to Solectron in the event any Dy 4 Entity or Seller is in breach of any representation, warranty or covenant contained in this Agreement, and such breach, individually or in combination with any other such breach, (i) would cause the conditions set forth in clauses (a), (b) or (c) of Section 8.3 not to be satisfied and (ii) is not cured within 30 days following delivery by Purchaser to Solectron of written notice of such breach (except in the case of a breach that is not curable or efforts to cure such breach have ceased);

(d) by Solectron, on behalf of the Sellers, by giving written notice to Purchaser in the event Purchaser is in breach of any representation, warranty or covenant contained in this Agreement, and such breach, individually or in combination with any other such breach, (i) would cause the conditions set forth in clauses (a) or (b) of Section 8.2 not to be satisfied and (ii) is not cured within 30 days following delivery by Solectron to Purchaser of written notice of such breach (except in the case of a breach that is not curable or efforts to cure such breach have ceased);

(e) by Purchaser or Solectron, if a Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law, Governmental Order or award which is then in effect and has the effect of making the Contemplated Transactions illegal or otherwise prohibiting consummation of the Contemplated Transactions and which is final and non-appealable.

Section 9.2. Effect of Termination. In the event of termination of this agreement as provided in Section 9.1, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except (i) as set forth in this Section 9.2, Section 6.3 and Article XI and (ii) that nothing herein shall relieve any party from liability for any willful breach of this Agreement.

Section 9.3. Waiver.

(a) Solectron, on behalf of Sellers, may (i) extend the time for the performance of any of the obligations or other acts of Purchaser or any of the obligations or other acts of Dy 4 Systems or Dy 4 (US) to be performed after the Closing, (ii) waive any inaccuracies in the representations and warranties of Purchaser contained herein or in any document delivered by Purchaser pursuant hereto, or (iii) waive compliance with any of the agreements or conditions of Purchaser contained or compliance after the Closing with any of the agreements or conditions of Dy 4 Systems or Dy 4 (US) contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by Solectron.

(b) Purchaser may (i) extend the time for the performance of any of the obligations or other acts of any Seller or Dy 4 Entity (ii) waive any inaccuracies in the representations and warranties of a Dy 4 Entity, or any Seller contained herein or in any document delivered by a Dy 4 Entity or any Seller pursuant hereto or (iii) waive compliance with any of the agreements or conditions of a Dy 4 Entity or any Seller contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by Purchaser.

(c) Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

ARTICLE X

INDEMNIFICATION

Section 10.1. Survival of Representations and Warranties.

(a) All representations and warranties set forth in this Agreement shall expire and terminate on the date that is eighteen months after the Closing Date; provided, however, that the representations and warranties set forth in
Section 4.14 and Section 4.19 shall expire on the date that is 27 months after the Closing Date; provided, further, that the representations and warranties set forth in Section 4.20 shall expire one month after the expiration of the applicable statute of limitations relating thereto (the date of such applicable expiration, a "Termination Date"); provided, further, that the representations and warranties set forth in Section 3.1, Section 3.4, Section 4.1, Section 4.2,
Section 4.3, and Section 4.4 shall not expire. Except as provided in the preceding sentence and except for any breach of any covenant which requires performance beyond the Termination Date (except in each case as a result of any changes contemplated or permitted by this Agreement), the obligations to indemnify and hold harmless any Person pursuant to Section 10.2(a)(i) or Section 10.2(b)(i) or Section 7.1 shall terminate on the Termination Date; provided that such obligations to indemnify and hold harmless shall not terminate as to any item with respect to which the person to be indemnified shall have, prior to the Termination Date, delivered to the indemnifying party a bona fide Officer's Certificate or, in the event of a Third Party Proceeding, given notice to the indemnifying party of such Third Party Proceeding in accordance with Section
10.4. References herein to the "indemnified party" shall mean the party entitled to indemnification under Section 10.2 or Section 7.1, and references herein to the "indemnifying party" shall mean the party obligated to indemnify an indemnified party against Losses pursuant to Section 10.2 and Section 7.1.

(b) The right to indemnification, payment of Losses or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Losses, or other remedy based on such representations, warranties, covenants, and obligations.

Section 10.2. Indemnification.

(a) Indemnification by Solectron. Subject to the provisions of this Article X and Article VII, from and after the Closing, Solectron agrees to indemnify and hold the Purchaser and its officers, directors and affiliates, including the Dy 4 Entities after the Closing (the "Purchaser Indemnified Parties"), harmless against all claims, losses, liabilities, damages, deficiencies, costs and expenses (including costs of investigation and defense and all reasonable legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement), relating to

such claim, loss, liability, damage, deficiency, cost or expense incurred or suffered (hereinafter individually a "Loss" and collectively "Losses") by the Purchaser Indemnified Parties, or any of them, (i) as a result of the breach of any representation or warranty made by Sellers or the Dy 4 Entities in this Agreement, (ii) as a result of the breach of any covenant made by Sellers or the Dy 4 Entities in this Agreement (except in each case as a result of any changes contemplated or permitted by this Agreement), (iii) as a result of, or attributable to, the disclosure set forth in Schedule 4.19(a)(iii), or (iv) as a result of, or attributable to, any unsatisfied obligations to pay severance benefits or professional fees that were incurred with respect to the reductions-in-force of employees of the Dy 4 Entities occurring between January 1, 2003 and August 29, 2003. Notwithstanding the foregoing, indemnification for any Losses relating to Taxes shall be governed by the provisions in Section 7.1; provided that the provisions of this Article X shall also apply for indemnification for Losses relating to Taxes to the extent not inconsistent with the provisions of Article VII.

(b) Indemnification by Purchaser. Subject to the provisions of this Article X and Article VII, from and after the Closing, Purchaser agrees to indemnify and hold each Seller and its officers, directors and affiliates (the "Seller Indemnified Parties"), harmless against all Losses (other than any Losses relating to Taxes, for which the indemnification provisions in Section 7.1 shall govern) incurred or suffered by the Seller Indemnified Parties, or any of them, (i) as a result of the breach of any representation or warranty made by Purchaser in this Agreement, (ii) as a result of the breach of any covenant made by Purchaser in this Agreement, or (iii) as a result of, or attributable to, the failure to provide, as of the Closing Date and through the one-year anniversary of the Closing Date, Transferred Employees or Transferred Former Employees with employee benefits and base pay that are equivalent to, or more favorable than, the benefits and base pay that such Transferred Employees or Transferred Former Employees received or were entitled to receive under the Employee Plans immediately prior to Closing.

Section 10.3. Proceedings Involving Governmental Authorities or Third Parties. If the existence or amount of any Loss cannot be ascertained until the conclusion of any audit, examination, litigation, or other proceeding involving any Governmental Authority, tax authority or third party ("Third Party Proceeding"), the indemnified party shall give written notice of such Third Party Proceeding to the indemnifying party within five (5) business days of the indemnified party's receipt of notice of the commencement of such Third Party Proceeding. Such written notice shall describe in reasonable detail the facts constituting the basis for such Third Party Proceeding and the amount of the potential Loss. Within 20 days after delivery of such notification, the indemnifying party may, upon written notice thereof to the indemnified party, assume control of the Third Party Proceeding with counsel reasonably satisfactory to the indemnified party. If the indemnifying party elects not to assume control, the indemnified party shall retain control of such Third Party Proceeding. The party not controlling such Third Party Proceeding (the "Non-controlling Party") may participate therein at its own expense. The party controlling such Third Party Proceeding (the "Controlling Party") shall keep the Non-controlling Party advised of the status of such Third Party Proceeding and shall consider in good faith recommendations made by the Non-controlling Party with respect thereto. The Non-controlling Party shall furnish the Controlling Party with such information as it may have with respect to such Third Party Proceeding (including copies of any summons, complaint or other pleading which may have been served on such party and any written

claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise cooperate with and assist the Controlling Party such Third Party Proceeding. The indemnifying party shall not agree to any settlement of, or the entry of any judgment arising from, any such Third Party Proceeding without the prior written consent of the indemnified party, which shall not be unreasonably withheld, conditioned or delayed; provided that the consent of the indemnified party shall not be required if the indemnifying party agrees in writing to pay any amounts payable pursuant to such settlement or judgment and such Third Party Proceeding includes a complete release of the indemnified party from further liability and has no other adverse effect on the indemnified party. The indemnified party shall not agree to any settlement of, or the entry of any judgment arising from, any such Third Party Proceeding without the prior written consent of the indemnifying party. Notwithstanding the foregoing, in the event of a Loss relating to a Tax Contest, the provisions of Section 7.3 shall govern.

Section 10.4. Claims for Indemnification. An indemnified party shall make any claims for indemnification pursuant to Section 10.2 (subject to Section 7.3 with respect to claims made under both Section 10.2 and Section 7.1) by delivering an Officer's Certificate to the indemnifying party. For purposes hereof, "Officer's Certificate" shall mean a certificate signed by any officer of the Purchaser, in the case of a Purchaser Indemnified Party, and Solectron, in the case of a Seller Indemnified Party; and such certificate shall (A) state that the party claiming indemnification has paid, incurred or properly accrued or reasonably anticipates that it will have to pay, incur or accrue Losses, and (B) specifying in reasonable detail the individual items of Losses included in the amount so stated, the date each such item was paid, incurred or properly accrued, or the basis for such anticipated liability.

Section 10.5. Objections to Claims for Indemnification. An indemnifying party may make a written objection ("Objection") to any claim for indemnification. Subject to Section 7.3 with respect to claims made under both
Section 10.2 and Section 7.1, the Objection shall be delivered to the indemnified party within 30 days after delivery of the Officer's Certificate to the indemnifying party.

Section 10.6. Resolution by the Parties. The indemnifying party and the indemnified party shall attempt in good faith to resolve any claim for indemnification to which an Objection is made. If such parties are able to resolve any such claim for indemnification, they shall prepare and sign a memorandum setting forth such agreement. The indemnifying party shall pay to the applicable indemnified party by wire transfer of immediately available funds to an account designated by such indemnified party the agreed-upon amount of the Loss (if any) within 15 days of the date of the written memorandum described in the preceding sentence.

Section 10.7. Arbitration. Subject to Section 7.3 with respect to claims made under both Section 10.2 and Section 7.1, if the indemnifying party and the indemnified party are unable to resolve a claim for indemnification to which an Objection has been made within 20 days (as such period may be extended by mutual agreement between Solectron and Purchaser), either the indemnifying party or the indemnified party shall serve the other with a written demand for arbitration within 30 days of the expiration of such 20-day period, unless the amount of the Loss is at

issue in a Third Party Proceeding, in which event arbitration shall not be commenced until such amount is ascertained or Solectron and Purchaser agree to commence arbitration. Any such arbitration shall be held in Santa Clara County, California and shall be conducted before a single arbitrator mutually agreeable to Solectron and Purchaser in accordance with the Commercial Arbitration Rules of the American Arbitration Association. In the event that within 30 days after submission of any dispute to arbitration Solectron and Purchaser cannot mutually agree on one arbitrator, Solectron and Purchaser shall each select one arbitrator, and the two arbitrators so selected shall select a third arbitrator. The decision of the arbitrator or, if applicable, the majority of the three arbitrators regarding any claim for indemnification to which an Objection has been made shall be binding and conclusive. Such decision shall be written and shall be supported by written findings of fact and conclusions which shall set forth the award, judgment, decree or order awarded by the arbitrator. The parties agree to complete such arbitration as expeditiously as reasonably possible.

Section 10.8. Treatment of Indemnification Claims. All indemnification payments made under this Agreement shall be treated by all parties as an adjustment to the Purchase Price.

Section 10.9. Threshold for Indemnification Claims. The Purchaser Indemnified Parties shall not be entitled to make a claim for indemnification under Section 10.2(a)(i) (other than for any claims for indemnification (a) alleging a breach of the representations and warranties set forth in Sections 4.20 or 4.24, (b) for Losses relating to Taxes, or (c) pursuant to Section 10.2(a)(iii), in each case, which shall not be subject to any such limitation) until the Losses claimed exceed $400,000 in the aggregate (the "Basket Amount"), in which case the Purchaser Indemnified Parties shall be entitled to recover all Losses in excess of the Basket Amount. No indemnified party shall be permitted to assert any individual claim for indemnification involving alleged Losses of less than $25,000 (other than for any claims for indemnification (a) alleging a breach of the representations and warranties set forth in Sections 4.20 or 4.24,
(b) for Losses relating to Taxes, or (c) pursuant to Section 10.2(a)(iii), in each case, which shall not be subject to any such limitation) unless such claims originate from the same set of factual circumstances and, in the aggregate, exceed the Basket Amount.

Section 10.10. Limitation on Indemnification. Notwithstanding anything to the contrary in this Agreement, Solectron's liability for indemnifying the Purchaser Indemnified Parties pursuant to Article X (other than for any claims for indemnification (i) alleging a breach of the representations and warranties set forth in Section 4.20, (ii) alleging a breach of the covenants set forth in Sections 6.14 and 6.16, or (iii) pursuant to Article VII, which shall not be subject to any such limitation) shall not exceed $15,000,000 in the aggregate (the "Indemnity Cap"). Neither Solectron nor Purchaser shall have a right for indemnification with respect to any incidental, special, punitive or consequential damages incurred or suffered by an indemnified party hereunder.

Section 10.11. Exclusive Remedy. The parties hereby acknowledge and agree that, from and after the Closing, the sole and exclusive remedy of the parties hereto with respect to any and all monetary claims arising in connection with the transactions contemplated by this Agreement shall be pursuant to the indemnification obligations set forth in Section 10.2 and Section 7.1. In addition,

Sellers shall not have any liability under this Agreement except to the extent of the Indemnity Cap. The foregoing shall not prohibit a party from bringing a claim for fraud.

Section 10.12. No Set-Off. Neither the Purchaser nor any Purchaser Indemnified Party shall have any right to set-off any Losses against any payments to be made by the Purchaser pursuant to this Agreement or the Transition Services Agreement.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 11.2. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be delivered, given or made (and shall be deemed to have been duly delivered, given or made upon receipt) by delivery in person, or by nationally recognized courier service, or cable, telecopy, telegram, or registered or certified mail (postage prepaid, return receipt requested) to the respective parties hereto at their addresses set forth below (or at such other address for a party hereto as shall be specified in a notice given in accordance with this Section 11.2).

If to Purchaser (or after the Closing, any of the Dy 4 Entities), to:

Curtiss-Wright Controls, Inc.
3120 Northwest Boulevard
Gastonia, North Carolina 28052

Attention: Robert H. Shaw, Esq., General Counsel Fax No. (704) 869-4601

with a copy to:

Curtiss-Wright Corporation 4 Becker Farm Road
Roseland, NJ 07068
Attention: Michael J. Denton, Esq., General Counsel Fax No. (973) 597-4798

with a copy to:

Satterlee Stephens Burke & Burke LLP 230 Park Avenue
New York, NY 10169

Attention: Peter A. Basilevsky, Esq.

Fax No. (212) 818-9607

If to Sellers (or prior to the Closing, any of the Dy 4 Entities), to:

Solectron Corporation
777 Gibraltar Drive
Milpitas, California 95035

Attention: Chief Legal Counsel

with copies to:

Wilson Sonsini Goodrich & Rosati Professional Corporation
650 Page Mill Road
Palo Alto, CA 94304-1050
Attention: Steven E. Bochner, Esq.

Robert T. Ishii, Esq.
Telephone: (650) 493-9300

Telecopy: (650) 493-6811

Section 11.3. Public Announcements. No party shall issue any press release or public announcement relating to the subject matter of this Agreement without the prior written approval of the other parties; provided, however, that any party may make any public disclosure it believes in good faith is required by applicable Law, regulation or stock market rule (in which case the disclosing party shall use reasonable efforts to advise the other parties and provide them with a copy of the proposed disclosure prior to making the disclosure), including any disclosure to any and all Persons, without limitation of any kind, of the transaction's Tax treatment and Tax structure (as such terms are defined in sections 6011 and 6012 of the Code and the Regulations thereunder) contemplated by this Agreement and all materials of any kind (including Tax opinions or analyses) provided to such party or such Person relating to such Tax treatment and Tax structure, except to the extent necessary to comply with any applicable federal, state or provincial securities laws, provided that the parties acknowledge and agree that the Tax treatment and Tax structure of any Transaction does not include the name of any party to the Transaction or any sensitive business information (including, without limitation, the name and other specific information about any party's intellectual property or other proprietary assets) unless such information is necessary to understand the purported or claimed federal income Tax treatment of the Transaction.

Section 11.4. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or

incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

Section 11.5. Entire Agreement. This Agreement together with all Schedules (including the Disclosure Schedule) and Exhibits hereto constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements, covenants, representations, warranties, undertakings and understandings, written or oral, among the parties hereto with respect to the subject matter hereof and thereof; provided, however, that the Confidentiality Agreement shall continue to have force and effect as provided in Section 6.3.

Section 11.6. Assignment. This Agreement may not be assigned by operation of law or otherwise without the express written consent of Solectron, on behalf of Sellers, and Purchaser (which consent may be granted or withheld in the reasonable discretion of each such party), except that Purchaser may assign any of its rights (but not its obligations) under this Agreement to any Subsidiary of Purchaser.

Section 11.7. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted assigns and nothing herein, whether express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, provided, however, that the provisions of Section 6.9 concerning indemnification are intended for the benefit of the individuals referred to in such Section.

Section 11.8. Amendment. This Agreement may not be amended, restated, supplemented or otherwise modified except (i) by an instrument in writing signed by Solectron, on behalf of Sellers, and Purchaser or (ii) by a waiver in accordance with Section 9.3.

Section 11.9. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND
CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.10. Waiver of Jury Trial. EACH OF THE PARTIES HERETO WAIVES TO
THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE PARTIES HERETO EACH HEREBY AGREES THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES HERETO MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS

EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 11.11. Counterparts and Facsimile Signature. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. This Agreement may be executed by facsimile signature.

Section 11.12. Specific Performance. The parties agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms thereof and that, prior to the termination of this Agreement pursuant to its terms, the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or equity.

Section 11.13. Guarantee. Curtiss-Wright Corporation, a Delaware corporation ("Guarantor") irrevocably guarantees each and every representation, warranty, covenant, agreement and obligation of the Purchaser and the full and timely performance of its obligations under the provisions of this Agreement. This is a guarantee of payment and performance, and not of collection, and Guarantor acknowledges and agrees that this guarantee is full and unconditional, and no release or extinguishments of the Purchaser's obligations or liabilities (other than in accordance with the terms of this Agreement), whether by decree in any bankruptcy proceeding or otherwise, shall affect the continuing validity and enforceability of this guarantee. Purchaser hereby waives, for the benefit of the Dy 4 Entities and the Sellers, (i) any right to require the Dy 4 Entities or the Sellers as a condition of payment or performance of Guarantor to proceed against the Purchaser or pursue any other remedies whatsoever and (ii) to the fullest extent permitted by law, any defenses or benefits that may be derived from or afforded by law that limit the liability of or exonerate guarantors or sureties, except to the extent that any such defense is available to the Purchaser. Guarantor understands that the Dy 4 Entities and the Sellers are relying on this guarantee in entering into this Agreement. Guarantor has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement, and performance of this Section 11.13, by Guarantor does not and will not (i) violate, conflict with or result in the breach of any provision of the charter or bylaws (or similar organizational documents) of such Person, (ii) conflict with or violate in any material respect any Law or Governmental Order applicable to such Person, or (iii) conflict in any material respect with, or result in any material breach of, constitute a material default (or event which with the giving of notice or lapse of time, or both, would become a material default) under, require any consent under, or give to others any rights of termination, amendment, acceleration, suspension, revocation or cancellation of, any material note, bond, mortgage, deed of trust, indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which Guarantor is a party or by which any of such assets or properties is bound or affected, in each case which could reasonably be expected to have a material adverse effect on the ability of Guarantor to perform its obligations under this
Section 11.13.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each party hereto has executed, or caused its duly authorized officer(s) to execute, this Agreement as of the date first written above.

SELLERS

SOLECTRON CORPORATION

By:

Name:

Title:

SOLECTRON CANADA ULC

By:

Name:

Title:

C-MAC INDUSTRIES INC.

By:

Name:

Title:

[SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT]

DY 4 ENTITIES

DY 4 SYSTEMS, INC.

By:

Name:

Title:

DY 4 (US), INC.

By:

Name:

Title:

PURCHASER

CURTISS-WRIGHT CONTROLS, INC.

By:

Name:

Title:

GUARANTOR

CURTISS-WRIGHT CORPORATION

By:

Name:

Title:

[SIGNATURE PAGE TO STOCK PURCHASE AGREEMENT]

SCHEDULE I

SELLER SHARE OWNERSHIP

Seller	Number of Shares	Allocation of Purchase Price
C-MAC Industries, Inc.	8,692,296 shares of common stock of Dy 4 Systems, Inc.	71.0% of Purchase Price (or $78.1 million, assuming Purchase Price of $110,000,000)
Solectron Corporation	8,000 shares of common stock of Dy 4 (US) Inc.	29.0% of Purchase Price, minus 26,120,800 CDN Dollars
Solectron Canada ULC	2,000 shares of Series A Preferred Stock of Dy 4 (US) Inc.	26,120,800 CDN Dollars

CURTISS-WRIGHT ELECTRO-MECHANICAL DIVISION SAVINGS PLAN

Effective as of
January 1, 2004

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INTRODUCTION

This Curtiss-Wright Electro-Mechanical Division Savings Plan is effective as of January, 2004 ("the Effective Date"). It has been established by and shall be maintained by Curtiss-Wright Corporation, to provide retirement benefits for eligible employees of Curtiss-Wright Electro-Mechanical Corporation ("CWEMC"), a wholly owned subsidiary of Curtiss-Wright Corporation. The operations at which the eligible employees are employed are referred to herein as the Electro-Mechanical Division ("EMD") operations.

CWEMC acquired the operations that comprise EMD from Westinghouse Government Services Company LLC. ("WGSC"), a subsidiary of Washington Group International, Inc. ("WGI"), in a transaction that was effective as of October 29, 2002 ("the Acquisition Date").

Prior to the acquisition of EMD by CWEMC, eligible employees at EMD participated in the Westinghouse Government Services Group Savings Plan ("the Predecessor Plan"), a plan that was maintained by WGSC, that was qualified under section 401(a) of the Code and that included a qualified cash or deferred arrangement, within the meaning of section 401(k) of the Code. For the period between the Acquisition Date and December 31, 2003, eligible employees at EMD continued to participate in the Predecessor Plan pursuant to a Transition Services Agreement between CWEMC and WGI. In accordance with an agreement between CWEMC and WGSC, accounts maintained under the Predecessor Plan, for individuals who were identified as "Employees" in Section 3.15(a) of the Asset Purchase Agreement dated October 25, 2002 between WGSC and CWEMC relating to the purchase of certain assets related to WGSC's Electro-Mechanical Division and who commenced employment with the Employer or an Affiliated Entity in connection with such agreement, and accounts maintained under the Predecessor Plan for individuals who became employees of EMD during the period between the Acquisition Date and the Effective Date, were transferred to the Plan in a transaction that complied with section 414(l) of the Code, and that was effective as of the Effective Date.

The provisions of the Plan, as set forth herein, are intended to apply to participants who were employed at EMD on or after the Acquisition Date.

Intent and Construction:

The Plan is intended to comply with the qualification requirements of sections 401(a) and 401(k) of the Code and applicable regulations and rulings thereunder, and shall be construed in accordance with such intention.

The Plan is conditioned upon and subject to obtaining such approval of the Commissioner of Internal Revenue as may be necessary to establish the deductibility for income tax purposes of any and all contributions hereunder, other than Employee contributions.

ARTICLE I - DEFINITIONS

For purposes of the Plan, masculine pronouns include both men and women unless the context indicates otherwise. The following words and phrases shall have the meanings set forth below:

1. "Accounts" shall mean the After-Tax Account, Pre-Tax Account, Catch-Up Contribution Account Employer Match Contribution Account, Rollover Account, Pension Rollover Account, Additional Contribution Account, and Top-Heavy Contribution Account.

2. "Actual Contribution Ratio (ACR)" shall mean, with respect to any Participant, a fraction, the numerator of which equals the Employer Match Contributions and After-Tax Contributions paid to the Trust for the Plan Year on behalf of such Participant, and the denominator of which equals the Participant's Compensation for the Plan Year. Notwithstanding the preceding sentence, for all Plan Years after the first plan year (as that term is defined in IRS Notice 98-1), with respect to a Participant who is a Non-Highly Compensated Employee, "for the prior Plan Year" shall be substituted for "for the Plan Year" in the preceding sentence.

3. "Actual Deferral Ratio (ADR)" shall mean, with respect to any Participant, a fraction, the numerator of which equals the Pre-Tax Contributions paid to the Trust for the Plan Year on behalf of such Participant, and the denominator of which equals the Participant's Compensation for the Plan Year. Notwithstanding the preceding sentence, for all Plan Years after the first plan year (as that term is defined in IRS Notice 98-1), with respect to a Participant who is a Non-Highly Compensated Employee, "for the prior Plan Year" shall be substituted for "for the Plan Year" in the preceding sentence.

4. "Additional Contribution" shall mean a qualified non-elective contribution as defined in section 1.401(k)-1(g)(13)(ii) of the Treasury regulations, which imposes the immediate forfeiture requirement and distribution restrictions that are applicable to amounts allocable to a Participant's Pre-Tax Account.

5. "Additional Contribution Account" shall mean an account established and maintained on behalf of an Employee to which his Additional Contributions are allocated.

6. "Administrative Committee" shall mean the person(s) appointed by the Company to act on behalf of the Company as the sponsor and "named fiduciary" (within the meaning of section 402(a)(2) of ERISA), as appropriate, with respect to Plan administrative matters. When performing any activity or exercising any authority under the provisions of the Plan, the Administrative Committee shall be deemed to act solely on behalf of the Company, and not in an individual capacity.

7. "Affiliated Entity" shall mean a subsidiary which is at least 50% owned by the Company or a partnership or joint venture in which the Company is at least a 50%

owner that has not been designated as an Employer. The term Affiliated Entity shall include all entities in the Controlled Group of each Employer.

8. "After-Tax Account" shall mean all After-Tax Contributions made to the Plan by the Participant, with earnings thereon, and shall also include any similar contributions (including earnings thereon) transferred to the Plan from another qualified retirement plan.

9. "After-Tax Contribution" shall mean a contribution to the Plan deducted from a Participant's Compensation on an after-tax basis in accordance with the Participant's election made under Article III.1.a.

10. "Alternate Payee" shall mean the recipient or recipients of payments made pursuant to a Qualified Domestic Relations Order.

11. "Annual Addition" shall mean the total for the Limitation Year of the items listed below allocated to the account of an Employee under all defined contribution plans sponsored by the Employer or the Employer's Controlled Group (except that, for the purpose of this definition, "more than 50%" shall be substituted for "80%" each place it appears in section 1563(a)(1) of the Code):

a. employer contributions;

b. forfeitures;

c. employee contributions (other than rollovers); and

d. amounts described in section 415(l)(1) or 419A(d)(2) of the Code.

12. "Beneficiary" shall mean the person, or persons or entity named by a Participant by written designation to receive benefits in the event of the Participant's death as described in Article X.

13. "Board" shall mean the Board of Directors of the Company.

14. "Calendar Month" shall mean, with respect to Employees paid on a weekly basis, the number of weekly payroll periods included by an Employer in a particular calendar month for accounting purposes and, with respect to Employees paid on a monthly basis, the particular calendar month.

15. "Casual Employee" shall mean a person who is hired either:

a. For a predetermined limited period of time usually not to exceed 3 months, or

b. For the purpose of completing a specific task that is anticipated not to exceed 5 months and for whom the Employer has no expectation of continued employment beyond the completion of that task.

The determination of who is a Casual Employee shall be made on a uniform and nondiscriminatory basis.

16. "Catch-Up Contribution" shall mean a contribution to the Plan deducted from a Participant's Compensation on a pre-tax basis in accordance with the Participant's election made under Article III.I.b.

17. "Catch-Up Contribution Account" shall mean all Catch-Up Contributions made to the Plan by the Participant, with earnings thereon.

18. "Code" or "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

19. "Company" shall mean Curtiss-Wright Corporation, a corporation organized under the laws of the State of Delaware.

20. "Compensation" shall mean wages within the meaning of Code section 3401 (a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement on Form W-2 under sections 6041(d), 6051(a)(3) and 6052 of the Code, and amounts contributed by the Employer pursuant to a salary reduction agreement that are not includible in the gross income of the Employee under sections 125, 402(e)(3), 402(h) or 132(f) of the Code.

Notwithstanding the preceding sentence, the term Compensation shall not include: reimbursements or other expense allowances; fringe benefits (cash or noncash); moving expenses; deferred compensation; welfare benefits. Compensation shall also exclude any suggestion award or other non-performance-related awards (other than retention bonuses or other bonuses). In addition, the term Compensation does not include any awards made under a corporate incentive program, such as gainsharing, goalshare, or all employee variable pay programs, etc., unless (i) the Administrative Committee determines that such awards shall constitute Compensation under the Plan, and (ii) the Employer communicates the inclusion of such awards in Compensation to all affected Participants prior to the effective date of such inclusion. If the Administrative Committee communicates the inclusion of gain-sharing awards in Compensation pursuant to (ii) in the preceding sentence, Compensation under the Plan shall be deemed to include such awards beginning on the effective date of such inclusion and for all succeeding periods, unless and until the Employer again communicates that Compensation shall not include such awards.

In no event shall the term Compensation include any annual incentive award under a management incentive program, if paid to a Highly Compensated Employee.

The annual Compensation of each Participant taken into account in determining allocations for any Plan Year shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.

In addition, the Compensation taken into account under this Plan, when added to compensation previously earned during a Plan Year from an Affiliated Entity or an Excluded Unit shall not exceed the limit described in the preceding paragraph in effect for such Plan Year.

21. "Controlled Group" means with respect to an Employer:

a. any corporation which is a member of a controlled group of corporations within the meaning of section 1563(a) of the Code, determined without regard to sections 1563(a)(4) and (e)(3)(C), including the Employer;

b. any trade or business under common control with such Employer, within the meaning of section 414(c) of the Code;

c. any employer which is included with such Employer in an affiliated service group, within the meaning of section 414(m) of the Code; or

d. any other entity required to be aggregated with the Employer pursuant to regulations under section 414(o) of the Code.

For purposes of Appendix A, "more than 50%" shall be substituted for "80%" each place it appears in section 1563(a)(1) of the Code or section 1.414(c)-2 of the Treasury regulations.

22. "Dollar Limit" shall mean the dollar limitation on Pre-Tax Contributions under section 402(g) of the Code in effect for a calendar year, as follows:

The Dollar Limit on Pre-Tax Contributions made on a Participant's behalf with respect to calendar years beginning on or after the Effective Date and prior to January 1, 2007 are limited in accordance with the following table:

Calendar Year	Dollar Limit
2004	$13,000
2005	$14,000
2006	$15,000

The Dollar Limit on Pre-Tax Contributions made on a Participant's behalf with respect to any calendar year beginning after December 31, 2006 shall be $15,000 (or such higher dollar limit as may be in effect with respect to such year in accordance with Section 402(g)(4) of the Code as in effect for calendar years beginning after December 31, 2001).

23. "Eligibility Service" shall mean service taken into account to determine a Participant's vested status and shall be determined as follows:

a. For all Employees:

(1) Subject to the qualifications and limitations stated below in subsection a(2), Eligibility Service means all periods of service as an Employee with the Employer for which the Employee is directly or indirectly paid, or

entitled to payment, by the Employer for the performance of duties, and time spent on any of the following:

(i) furlough;

(ii) disability up to a maximum continuous period of 2 years;

(iii) leaves of absence (other than military leaves and leaves for personal reasons including educational leaves) up to a maximum of 2 years;

(iv) military leaves of absence up to a maximum equal to that period of time during which reemployment is required under applicable Federal statutes; or

(v) layoffs up to a continuous period of one year.

If while an Employee is on disability leave of absence under subsection a(1)(ii) above he is laid off, he shall begin to accrue service only under subsection a(1)(v) above from that time and shall continue to be credited with Eligibility Service under subsection a(1)(v) for up to 1 year, but in no event shall the combined service in such situation under subsections a.1(ii) and
a.1(v) exceed 2 years.

Eligibility Service shall be expressed in whole years and fractions thereof. Any fraction of a year shall be expressed as a decimal ratio of actual calendar days of service to the number of days in that year.

(2) If the Employee is absent from service for any reason which does not otherwise qualify him for Eligibility Service under the Plan, and such absence is not due to quit, discharge, release, retirement or death, he shall receive Eligibility Service of up to 1 year for any continuous period of absence.

If the Employee is separated from service by reason of a quit, discharge, release or retirement, and then is reemployed within 12 months of the date he was separated, the Employee's Eligibility Service shall include the period between the date he was separated and the date he was reemployed.

Notwithstanding the provisions of the previous two paragraphs, if the Employee is separated from service by reason of a quit, discharge, release or retirement during an absence from service of 12 months or less for any reason other than a quit, discharge, release or retirement and then is reemployed within 12 months of the date on which he was first absent from service, the Employee's Eligibility Service shall include the period between his last day worked and the date he returns to work.

b. For an individual who is identified as an "Employee" in Section 3.15(a) of the Asset Purchase Agreement dated October 25, 2002 between WGSC and Curtiss-Wright Electro-Mechanical Corporation relating to the purchase of certain assets related to WGSC's Electro-Mechanical Division and who commences employment with the Employer or an Affiliated Entity in connection with such agreement ("a WGSC Transferee") (and individuals who would have been identified as such "Employees" except that they had previously retired or terminated from employment), Eligibility Service shall include any Eligibility Service credited under the Westinghouse Government Services Group Savings Plan for periods prior to transfer of employment pursuant to the agreement.

24. "Employee" shall mean a person who is either not represented or who is employed in a unit represented by a labor organization or other representative which is recognized by an Employer as the representative of such unit for the purpose of collective bargaining and has entered into a written agreement with an Employer providing for participation in the Plan by the Employees in such unit, provided:

a. Such person is in the regular service of an Employer and is neither employed in an Excluded Unit, nor a leased employee (as defined in section 414(n)(2) of the Code); or

b. Such person is a citizen of the United States or a resident alien (as defined in section 7701(b) of the Code) who is an Employee of either a domestic subsidiary (as defined in section 407 of the Code) or of a foreign subsidiary as to which an Employer has entered into an agreement under section 3121(l) of the Code and with respect to whom contributions under a funded plan of deferred compensation (whether or not described in sections 401(a), 403 (a) or 405(a) of the Code) are not provided by any person or company other than the Employer with respect to the remuneration paid to the citizen or resident alien by the domestic or foreign subsidiary.

25. "Employer" means (a) the Company, (b) an at least 50%-owned subsidiary of the Company, or (c) an entity designated as an Employer in Appendix C.

26. "Employer Match Contribution Account" shall mean all Employer Match Contributions made to the Plan by the Employer, with earnings thereon, and shall also include any similar contributions (including earnings thereon) transferred to the Plan from another qualified retirement plan.

27. "Employer Match Contribution" shall mean a contribution made by the Employer pursuant to Article III.2.

28. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

29. "Excluded Unit" means any group, or other organizational unit, of employees of the Company, other than (a) the business unit denominated as the Electro-Mechanical Division of Curtiss-Wright Flow Control Corporation and
(b) any group or unit that has been designated by the Administrative Committee as eligible to participate in this Plan.

30. "Fixed Income Fund" shall mean an Investment Fund designed to preserve capital and to provide a relatively stable and predictable rate of interest.

31. "Highly Compensated Employee" means any Employee who:

(1) was a 5% owner, as defined in section 416(b)(1)(B)(i) of the Code at any time during the year or the preceding year, or

(2) for the preceding year had compensation from the Company or a Controlled Group member in excess of $80,000. The $80,000 amount is adjusted at the same time and in the same manner as under section 415(d) of the Code, except that the base period is the calendar quarter ending September 30, 1996.

For purposes of determining which Employees shall be deemed Highly Compensated Employees, the applicable year of the Plan for which a determination is being made is called a determination year and the preceding 12-month period is called a look-back year.

A Highly Compensated Former Employee is determined based on the rules applicable to determining Highly Compensated Employee status for the determination year in which the Employee separated from service, in accordance with section 1.414(q)-1T, Q&A-4 of the Treasury regulations and IRS Notice 97-75.

32. "Investment Fund" shall mean an investment option, selected by the Administrative Committee, under Article IV.1 of the Plan, to which Participants may direct investment of amounts in their Accounts. Investment Funds may include the Fixed Income Fund, the Mutual Funds, and any other investment option selected by the Administrative Committee.

33. "Investment Manager" shall mean a fiduciary appointed by the Administrative Committee to manage the investment of any portion of the assets of the Plan. Each Investment Manager shall either (a) satisfy the conditions to be an "Investment Manager," as described by section 3(38) of ERISA, or (b) be a "named fiduciary" of the Plan.

34. "Layoff" shall mean the termination of the employment of an Employee with an Employer or Affiliated Entity through no fault of the Employee for lack of work for reasons associated with the business where the Employer or Affiliated Entity determines there is a reasonable expectation of recall within one year.

Notwithstanding the foregoing, a person who would otherwise be considered to be on Layoff may take certain actions which would result in the severance of his relationship with the Employer. At the time such action is taken, that person shall become a voluntary quit and shall no longer be considered on Layoff.

35. "Limitation Year" shall mean the Plan Year.

36. "Mutual Fund" shall mean an open-end investment company registered under the Investment Company Act of 1940 that is selected by the Administrative Committee as an Investment Fund under Article IV.1 of the Plan.

37. "Non-Highly Compensated Employee" shall mean any Employee who is not a Highly Compensated Employee.

38. "Non-Vested Participant" shall mean an Active Participant who does not have a nonforfeitable right to his Employer Match Contribution Account.

39. "Normal Retirement Date" shall mean the first of the month following the later of the month during which the Participant's 65th birthday occurs or the month during which the Participant completes 5 years of Eligibility Service.

40. "NYSE" shall mean the New York Stock Exchange.

41. "Participant" shall mean any person who has an Account in the Plan.

42. "Pension Rollover Account" shall mean all amounts attributable to after-tax employee contributions transferred to the Plan pursuant to Article IV.4 from the Curtiss-Wright Electro-Mechanical Division Pension Plan, with earnings thereon.

43. "Plan" shall mean the Curtiss-Wright Electro-Mechanical Division Savings Plan as set forth in this document or as amended from time to time, which is intended to be qualified under section 401(a) and section 401(k) of the Code.

44. "Plan Administrator" shall mean the Company the party delegated to serve as the Plan Administrator in accordance with Article XIV.3.

45. "Plan Year" shall mean the calendar year. The first Plan Year shall be the calendar year beginning on January 1, 2004, the Effective Date of the Plan.

46. "Pre-Tax Account" shall mean all Pre-Tax Contributions made to the Plan by the Participants, with earnings thereon, and shall also include any similar contributions (including earnings thereon) transferred to the Plan from another qualified retirement plan. Pre-Tax Accounts are subject to the distribution restrictions set out in section 401(k)(2) of the Code 1.401(k)-1(d)(1) of the Treasury regulations (which regulations permit distributions only after one of the following events: (i) an employee's retirement, death, disability, or severance from employment; (ii) the termination of a plan without establishment or maintenance of another defined contribution plan other than an ESOP or SEP (but only with respect to lump sum distributions); and (iii) an employee's attainment of age 59 1/2 or hardship (but only with respect to a profit-sharing or stock bonus plan).

47. "Pre-Tax Contribution" shall mean a contribution to the Plan deducted from a Participant's Compensation on a pre-tax basis in accordance with the Participant's election made under Article III.1.a.

48. "Qualified Domestic Relations Order" or "QDRO" shall mean a court order as defined in section 414(p) of the Code.

49. "Retired Participant" shall mean a Participant who is no longer an Employee and who has retired under an Employer pension plan. This term does not refer to a Participant who has terminated with a right to a vested pension under an Employer pension plan.

50. "Rollover Account" shall mean all amounts transferred to the Plan pursuant to Article IV.4 as a Rollover Distribution from a qualified defined contribution or defined benefit plan or a distribution from an individual retirement account (as described in section 408(d)(3)(A) of the Code), and earnings thereon, and all amounts, other than after-tax employee contributions, transferred to the Plan pursuant to Article IV.4 from the Curtiss-Wright Electro-Mechanical Division Pension Plan.

51. "Rollover Distribution" shall mean one or more distributions which, under section 402 of the Code, are eligible for rollover to this Plan.

52. "Self-Managed Account" shall mean an Investment Fund designed to allow Participants to select from among a variety of investment alternatives.

53. "Surviving Spouse" shall mean the spouse of a Participant on the date of his death.

54. "Terminated Participant" shall mean a Participant (not including a Participant who has been on Layoff for 12 months or less or is employed at an Affiliated Entity or employed in an Excluded Unit) who is no longer an Employee and is not a Retired Participant. A Participant who is not a Retired Participant, but has incurred a severance from employment shall be deemed a Terminated Participant.

55. "Top-Heavy Contribution" shall mean a contribution made by the Employer pursuant to Appendix B of the Plan.

56. "Top-Heavy Contribution Account" shall mean an account established and maintained on behalf of a Participant to which his Top-Heavy Contributions, if any, are allocated.

57. "Totally Disabled Participant" shall mean a Participant who at the time he stops accruing Eligibility Service is not able, because of injury or sickness, to engage in any gainful occupation for which he is reasonably fitted by education, training or experience provided he has completed at least 10 years of Eligibility Service.

58. "Trading Day" shall mean any day on which the NYSE is open for business. A Trading Day ends when the NYSE closes for business on such day.

59. "Trust" shall mean the Curtiss-Wright Electro-Mechanical Division Savings Plan Trust established pursuant to the Plan.

60. "Trustee" shall mean the trustee(s) from time to time in office pursuant to appointments made in accordance with the Plan.

61. "Unit" shall mean the equitable share interest of a Participant within an Investment Fund other than a Self-Managed Account.

62. "Valuation Date" shall mean any Trading Day.

63. "Vested Participant" shall mean a Participant who has a nonforfeitable right to his Employer Match Contribution Account under the requirements of Article VI.

ARTICLE II - ELIGIBILITY AND PARTICIPATION

1. Any Employee who was a participant in the Westinghouse Government Services Group Savings Plan ("the WGSG Plan") on December 31, 2003 shall be eligible to participate in the Plan on January 1, 2004. Any other Employee shall be eligible to participate in the Plan immediately upon employment by an Employer. To participate an Employee must apply in accordance with procedures established by the Plan Administrator.

2. If a Participant transfers employment from an Employer to an Affiliated Entity, an Excluded Unit, he shall remain a Participant for all purposes of the Plan, except that he shall not be eligible to contribute and no Employer Match Contributions shall be made on his behalf for the period of time he is employed by the Affiliated Entity, Excluded Unit.

3. If a Retired Participant or a Terminated Participant is rehired as an Employee, he may immediately participate in the Plan, and any previous Eligibility Service shall be restored.

4. If a Retired Participant is rehired as an Employee and he has Accounts remaining in this Plan, the Plan Administrator will segregate any new contributions into separate Accounts so that the Accounts as a Retired Participant are always available for immediate withdrawal under any circumstances.

5. A Participant shall no longer be eligible to contribute to the Plan upon the earlier of the following:

a. The date the Participant ceases to be an Employee; or

b. The effective date of complete termination of the Plan under Article

XII.

ARTICLE III - CONTRIBUTIONS

1. Participant Contributions.

a. After-Tax Contributions and Pre-Tax Contributions:

A Participant may elect to save at a rate of 2% to 20% of his Compensation, in increments of 1%, on an after-tax basis, a pre-tax basis or a combination thereof.

Contributions to the Plan on an after-tax basis as After-Tax Contributions shall be deducted from the Participant's Compensation and shall be allocated to the Participant's After-Tax Account. Contributions to the Plan on a pre-tax basis as Pre-Tax Contributions shall be based on a Participant's agreement to reduce his Compensation and to have the amount by which his Compensation is so reduced contributed to the Plan by the Employer, and shall be allocated to the Participant's Pre-Tax Account, provide, however, that a Participant's Pre-Tax Contributions for a Plan Year shall not exceed the Dollar Limit.

Each Participant shall make such election with the Plan Administrator, in accordance with reasonable procedures established by the Plan Administrator, specifying the portion of his Compensation that is to be contributed to the Plan as After-Tax and/or Pre-Tax Contributions. The election of the Participant shall remain in effect until a new election from that Participant is received by the Plan Administrator.

For an individual who was a participant in the WGSG Plan and who is an Employee of an Employer as of the Effective Date ("a WGSC Plan Transferee"), the most recent contribution election under the WGSGS Plan shall remain in effect under this Plan until changed by the Participant.

b. Catch-Up Contributions:

(1) A Participant who satisfies the requirements of Article
III.1.b(2) for a Plan Year shall be eligible to elect, in accordance with Article III.1.b(3), to reduce his Compensation and to have the amount by which his Compensation is so reduced contributed to the Plan by his Employer as a Catch-up Contribution, provided, however, that such Catch-up Contributions shall be subject to the conditions set forth in Article
III.1.b(4),(5),(6).

(2) A Participant satisfies the requirements of this subsection for a Plan Year if his 50th birthday is coincident with or prior to the last day of the Plan Year.

(3) A Participant described in subsection (b) may elect to make Catch-up Contributions in the amount of 1% to 20% of Compensation for each payroll period during which such election remains in effect.

(4) A Participant's Catch-Up Contributions in calendar years beginning after on or after the Effective Date and prior to January 1, 2007 shall be limited in accordance with the following table:

Calendar Year	Dollar Limitation
2004	$3,000
2005	$4,000
2006	$5,000

Catch-Up Contributions made on a Participant's behalf with respect to any calendar year beginning after December 31, 2006 shall limited to $5,000, as adjusted in accordance with section 414(v)(2)(C) of the Code. In no event shall the Participant's Catch-Up Contributions for a Plan Year exceed the excess of his Pre-Tax Contributions for such Plan Year over his Compensation for such Plan Year.

(5) If, as of the end of a Plan Year in which a Participant has made Catch-up Contributions in accordance with Article III.1.b(3), it is determined that:

(i) the amount of his Pre-Tax Contributions for such Plan Year is less than the Dollar Limit in effect for such Plan Year, and

(ii) the amount of his Pre-Tax Contributions is less than the excess of 20% of his Compensation over the amount of his After-Tax Contributions,

then the amount deemed to have been contributed as a Catch-up Contribution shall be reduced by the lesser of the (A) the excess of the Dollar Limit over the amount of his Pre-Tax Contributions or (B) the excess of 25% of his Compensation over the sum of his Pre-Tax Contributions and his After-Tax Contributions, and the amount by which his Catch-up Contributions are so reduced shall be recharacterized as a Pre-Tax Contribution for such Plan Year, for all purposes of Article III.

(6) The provisions of this subsection shall be subject to the requirements of section 414(v) of the Code and Regulations thereunder.

2. Employer Match Contributions

Effective as of the end of each Calendar Month, for each dollar a Participant contributes on either an after-tax basis or a pre-tax basis, his Employer shall contribute $0.50 into the Participant's Employer Match Contribution Account, subject to a maximum Employer Match Contribution of 3% of the Participant's Compensation for that month. Employer Match Contributions shall first be made with respect to Participant contributions made on a pre-tax basis, then with respect to Participant contributions made on an after-tax basis.

No Employer Match Contributions shall be made with respect to Catch-Up Contributions made by a Participant in accordance with Article III.1.b

3. Any amounts credited to any Account for a Participant that are forfeited by such Participant pursuant to any provision of the Plan shall not be returned to the Company but shall be used to reduce the obligations of the Company to make Employer Match Contributions under the Plan.

4. Treatment of Excess Elective Deferral Amounts.

The Plan shall not incur any Excess Elective Deferrals. Notwithstanding any other provision of the Plan, Excess Elective Deferrals as adjusted for income or losses thereon shall be distributed to the Participants in accordance with this Article.

a. For purposes of this Article, the following definitions shall have the following meanings:

(1) "Elective Deferrals" for a taxable year means the sum of all Employer contributions made on behalf of a Participant pursuant to an election to defer under any qualified CODA as described in section 401(k) of the Code, any simplified employee pension cash or deferred arrangement as described in section 402(h)(1)(B) of the Code, any arrangement described in section 408(p)(2)(A)(i) of the Code, and any Employer contributions made on behalf of a Participant for the purchase of an annuity contract under section 403(b) of the Code pursuant to a salary reduction agreement.

(2) "Excess Elective Deferrals" shall mean those Elective Deferrals that are includable in a Participant's gross income under section 402(g) of the Code because they exceed the Dollar Limit. Excess Elective Deferrals shall be treated as Annual Additions under the Plan, unless they are distributed by April 15 of the year following the calendar year in which they were made.

b. A Participant may assign to this Plan any Excess Elective Deferrals made during the taxable year of the Participant by filing a claim in writing with the Plan Administrator no later than March 1 following the year in which the Excess Elective Deferral was made. Said claim shall specify the Participant's Excess Elective Deferral amount for the preceding calendar year, and shall be accompanied by the Participant's written statement that if such amounts are not distributed, such Excess Elective Deferral amount, when added to amounts deferred under other plans or arrangements described in section 401(k), 408(k), 403(b), or 408(p) of the Code, shall exceed the Dollar Limit for the year in which the deferral occurred. A Participant shall be deemed to have given the notification described above if the Excess Elective Deferral results from Elective Deferrals to this Plan or other plans of the Employer or the Employer's Controlled Group.

c. A Participant who has an Excess Elective Deferral during a taxable year may receive a corrective distribution. Such a corrective distribution shall be made if:

(1) the Participant designates the distribution as an Excess Elective Deferral or is deemed to make the designation under paragraph 4.b above;

(2) the corrective distribution is made after the date on which the Plan received the Excess Elective Deferral; and

(3) the Plan Administrator designates the distribution as a distribution of an Excess Elective Deferral.

d. The Excess Elective Deferral distributed to a Participant with respect to a calendar year shall be adjusted to reflect income or loss in the Participant's Pre-Tax Account for the taxable year allocable thereto. The income or loss allocable to such Excess Elective Deferral Amount shall be determined in accordance with section 402(g) of the Code and the regulations thereunder.

e. Excess Elective Deferral amounts, as adjusted for income and losses, shall be distributed to the Participant no later than April 15 of the year following the calendar year in which such Excess Elective Deferral was made.

5. Actual Deferral Percentage Test.

The actual deferral percentage (ADP) for Participants who are Highly Compensated Employees shall not exceed the greater of a or b, as follows:

a. the ADP of Participants who are Non-Highly Compensated Employees times 1.25; or

b. the ADP of Participants who are Non-Highly Compensated Employees times 2.0, but not to exceed the ADP of Participants who are Non-Highly Compensated Employees by more than 2 percentage points.

6. ADP Formula.

a. The ADP for a specified group of Participants for a Plan Year shall be the average of the Actual Deferral Ratios (ADR) calculated separately for each Participant in such group.

The Plan Administrator shall determine as soon as practicable after the end of the Plan Year whether the ADP for Highly Compensated Employees satisfies either of the tests contained in Article III.5. In the event neither test is satisfied, the Plan Administrator may elect any of the following:

(1) to recharacterize all or any portion of the Pre-Tax Contributions for Highly Compensated Employees as After-Tax Contributions as provided in Article III.8;

(2) to reduce the allowable Pre-Tax Contributions for Highly Compensated Employees as provided in Article III.9; or

(3) to make an Additional Contribution (subject to the requirements of Article III.10 for all or a portion of Non-Highly Compensated Employees eligible to make contributions under Article III.1.a, in a level dollar amount or a uniform percentage of Compensation, as the Company shall elect, within the time period required by any applicable law or regulation.

b. The Plan shall take into account the ADRs of all eligible Employees for purposes of the ADP test. For this purpose, an eligible Employee is any Employee who is directly or indirectly eligible to make Pre-Tax Contributions under the Plan for all or a portion of a Plan Year, including an Employee who would be eligible but for his failure to make Pre-Tax Contributions and an Employee whose eligibility to make Pre-Tax Contributions has been suspended because of an election not to participate. In the case of an eligible Employee who makes no Pre-Tax Contributions, the ADR for such Employee that is to be included in determining the ADP is zero.

c. A Pre-Tax Contribution shall be taken into account under the ADP test for a Plan Year only if it relates to Compensation that either would have been received by the Employee in the Plan Year (but for the deferral election) or is attributable to services performed by the Employee in the Plan Year and would have been received by the Employee within 2 1/2 months after the close of the Plan Year (but for the deferral election).

d. A Pre-Tax Contribution shall be taken into account under the ADP test for a Plan Year only if it is contributed to the Trust before the last day of the twelve-month period immediately following the Plan Year to which the contribution relates and is allocated within the Plan Year to which the contribution relates. A Pre-Tax Contribution is considered allocated as of a date within a Plan Year if the allocation is not contingent on participation or performance of services after such date.

e. The ADR and ADP shall be calculated to the nearest 0.01%.

7. Calculation of Excess Contributions.

a. The aggregate amount of all Pre-Tax Contributions for all Highly Compensated Employees in excess of that permitted under Article III.5 (hereinafter, "Excess Contributions") shall be determined in the following manner. First, the ADR of the Highly Compensated Employee with the highest ADR is reduced to the extent necessary to satisfy the ADP test or cause such ADR to equal the ADR of the Highly Compensated Employee with the next highest ADR. This process is repeated until the ADP test is satisfied. The amount of Excess Contributions for a Highly Compensated Employee is the difference between the total of Pre-Tax and other contributions (if any) taken into account for the ADP test, and the product of the Employee's ADR at the time the ADP test is satisfied, as determined above, multiplied by the Employee's Compensation.

b. The amount of Excess Contributions that are recharacterized under Article III.8, or distributed under Article III.9, with respect to an Employee for a Plan Year, shall be reduced by Excess Elective Deferrals previously distributed to the Employee for the Employee's taxable year ending with or within the Plan Year, in accordance with section 402(g)(2) of the Code, and Excess Elective Deferrals to be distributed for a taxable year will be reduced by Excess Contributions previously distributed or recharacterized for the Plan Year beginning in such taxable year.

8. Recharacterization of Excess Contributions.

Excess Contributions may be recharacterized as After-Tax Contributions. Recharacterized amounts shall be reallocated to the Participant's After-Tax Account, but shall continue to be fully vested and subject to distribution limitations that apply to Pre-Tax Accounts. In no event shall any amount be recharacterized for a Highly Compensated Employee to the extent such amount in combination with other contributions exceeds any other limit under the Plan. Recharacterization must occur no later than April 15 of the year following the Plan Year in which the original contributions were made. Such recharacterization of Excess Contributions shall be made, first, with respect to the Highly Compensated Employee with the highest dollar amount of Pre-Tax Contributions in an amount sufficient to cause such Highly Compensated Employee's Pre-Tax Contributions to equal the dollar amount of Pre-Tax Contributions of the Highly Compensated Employee with the next highest dollar amount of Pre-Tax Contributions. This process is repeated until the total Excess Contributions determined in Article III.7 are recharacterized.

9. Distribution of Excess Contributions.

Excess Contributions may be distributed to Participants on whose behalf such Excess Contributions were made, in the manner set out in the following paragraph, no later than the last day of the Plan Year following the Plan Year for which they were made. Excess Contributions that are distributed shall be adjusted to reflect income (or loss) allocable thereon, determined using a reasonable method of computing the income (or loss) allocable to Excess Contributions, provided that the method does not violate section 401(a)(4) of the Code, is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year, and is used by the Plan for allocating income (or loss) to Participant Accounts.

Distributions of the total Excess Contributions determined in Article III.7 shall be made, first, to the Highly Compensated Employee with the highest dollar amount of Pre-Tax Contributions in an amount sufficient to cause such Highly Compensated Employee's Pre-Tax Contributions to equal the dollar amount of PreTax Contributions of the Highly Compensated Employee with the next highest dollar amount of Pre-Tax Contributions. This process is then repeated until the total Excess Contributions determined in Article III.7 are distributed.

10. Additional and Employer Match Contributions.

Additional Contributions and Employer Match Contributions may be treated as Pre-Tax Contributions for purposes of the ADP test only if such contributions are nonforfeitable when made and subject to the same distribution restrictions that apply to elective contributions. Additional Contributions and Employer Match Contributions which may be treated as Pre-Tax Contributions must satisfy these requirements without regard to whether they are actually taken into account as Pre-Tax Contributions for purposes of satisfying the ADP test.

Additional Contributions and/or Employer Match Contributions may be treated as Pre-Tax Contributions only if the conditions described in section 1.401(k)-1(b)(5) of the Treasury regulations are satisfied.

In combination, (a) the Additional and Employer Match Contributions for Non-Highly Compensated Employees made under this Article III.10, (b) the distribution of Excess Contributions for Highly Compensated Employees in accordance with Article III.9, and/or (c) the recharacterized contributions under Article III.8, shall be such that at least one of the tests contained in Article III.5 is satisfied, or the distribution requirements in Article
III.9 are satisfied.

11. Forfeiture of Employer Match Contributions.

Any Employer Match Contributions made on account of an Excess Contribution or an Excess Elective Deferral shall be forfeited and shall be used to reduce the amount of Employer Match Contributions required to be made by the Employer for the year of forfeiture.

12. Actual Contribution Percentage Test.

The actual contribution percentage (ACP) for Participants who are Highly Compensated Employees shall not exceed the greater of a or b as follows:

a. the ACP of Participants who are Non-Highly Compensated Employees times 1.25; or

b. the ACP of Participants who are Non-Highly Compensated Employees times 2.0, but not to exceed the ACP of Participants who are Non-Highly Compensated Employees by more than 2 percentage points.

13. ACP Formula.

a. The ACP for a specified group of Participants for a Plan Year shall be the average of the Actual Contribution Ratios (ACR) calculated separately for each Participant in such group.

The Plan Administrator shall determine as soon as practicable after the end of the Plan Year whether the ACP for Highly Compensated Employees satisfies either of the tests contained in Article III.12. In the event neither test is satisfied, the Plan Administrator may elect either of the following:

(1) to reduce the allowable Employer Match Contribution and/or After-Tax Contributions for Highly Compensated Employees as provided in Article III.14; or

(2) to make an Additional Contribution for all or a portion of Non-Highly Compensated Employees eligible to make contributions under Article III.1.a in a level dollar amount or a uniform percentage of Compensation, as the Plan Administrator shall elect, within the time period required by any applicable law or regulation.

b. The Plan shall take into account the ACRs of all eligible Employees for purposes of the ACP test. For this purpose, an eligible Employee is any Employee who is directly or indirectly eligible to receive an allocation of Employer Match Contributions, including an Employee who would be eligible but for his failure to make After-Tax and/or Pre-Tax Contributions and an Employee whose right to receive Employer Match Contributions has been suspended because of an election not to participate. In the case of an eligible Employee who receives no Employer Match Contributions, the ACR that is to be included in determining the ACP is zero.

c. An Employer Match Contribution shall be taken into account under the ACP test for a Plan Year only if it is made on account of the eligible Employee's After-Tax and/or Pre-Tax Contributions for the Plan Year, contributed to the Trust before the last day of the twelve-month period immediately following the Plan Year to which the contributions relate and is allocated within the Plan Year to which the contributions relate. Employer Match Contributions which are used to meet the requirements of section 401(k)(3)(A) of the Code are not taken into account.

d. The ACR and ACP shall be calculated to the nearest 0.01%.

14. Calculation of Excess Aggregate Contributions.

a. The aggregate amount of contributions for all Highly Compensated Employees in excess of that permitted under Article III.12 (hereinafter, "Excess Aggregate Contributions") shall be determined in the following manner. First, the ACR of the Highly Compensated Employee with the highest ACR is reduced (first, as to After-Tax Contributions, if any, then as to Employer Match Contributions) to the extent necessary to satisfy the ACP test or cause such ACR to equal the ACR of the Highly Compensated Employee with the next highest ACR. This process is repeated until the ACP test is satisfied. The amount of Excess Aggregate Contribution for a Highly Compensated Employee is the difference between the total of Employer Match Contributions and other contributions taken into account for the ACP test, and the product of the Employee's ACR at the time the ACP test is satisfied, as determined above, multiplied by the Employee's Compensation.

b. The amount of Excess Aggregate Contributions for a Plan Year shall be determined only after first determining the Excess Contributions that are treated as Employee After-Tax Contributions (if any) due to recharacterization

of such contributions made to this Plan, or to another plan aggregated with this Plan under Article III.18, for the Plan Year.

15. Distribution of Excess Aggregate Contributions.

Excess Aggregate Contributions shall be distributed, in a manner that satisfies the requirements described in section 1.401(a)(4)-4 of the Treasury regulations (so that after correction each level of matching contributions will be currently and effectively available to a group of employees that satisfies section 410(b) of the Code), to Participants on whose behalf such Excess Aggregate Contributions were made, in the manner set out in the following paragraph, to the extent vested, no later than the last day of the Plan Year following the Plan Year for which they were made. Non-vested Excess Aggregate Contributions shall be applied as provided in Article III.17. Excess Aggregate Contributions shall be adjusted to reflect income (or loss) allocable thereon, determined using a reasonable method of computing the income (or loss) allocable to Excess Aggregate Contributions, provided that the method does not violate section 401(a)(4) of the Code, is used consistently for all Participants and for all corrective distributions under the Plan for the Plan Year, and is used by the Plan for allocating income (or loss) to Participant Accounts.

Distributions of the total Excess Aggregate Contributions determined in Article III.14 shall be made, first, to the Highly Compensated Employee with the highest dollar amount of Employer Match Contributions and After-Tax Contributions in an amount sufficient to cause such Highly Compensated Employee's Employer Match Contributions and After-Tax Contributions to equal the dollar amount of Employer Match Contributions and After-Tax Contributions of the Highly Compensated Employee with the next highest dollar amount of Employer Match Contributions and After-Tax Contributions. This process is then repeated until the total Excess Aggregate Contributions determined in Article III.14 are distributed.

16. Additional Contributions.

Additional Contributions may be treated as Employer Match Contributions only if the conditions described in section 1.401(m)-1(b)(5) of the Treasury regulations are satisfied.

In combination, (a) the amount of Additional Contributions for Non-Highly Compensated Employees made under this Article III.16. and/or (b) the distribution of Excess Aggregate Contributions to Highly Compensated Employees under Article III.15 shall be such that at least one of the tests contained in Article III.12 is satisfied, or the distribution requirements in Article III.15 are satisfied.

17. Forfeitures.

Amounts forfeited by Highly Compensated Employees due to the distribution of Excess Aggregate Contributions shall be treated as an Annual Addition under the Plan and shall be applied to reduce future Employer Match Contributions required to be made by the Employer. No forfeiture arising under this Article shall be allocated to the account of any Highly Compensated Employee.

18. Special Rules.

a. The ADR and ACR for an Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to make Pre-Tax Contributions, or to have Employer Match Contributions allocated to his Accounts, or to make After-Tax Contributions, under 2 or more plans that are maintained by an Employer or the Employer's Controlled Group shall be determined as if all such contributions were made under a single plan.

b. In the event that this Plan satisfies the requirements of sections 410(b) and 401(a)(4) of the Code only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of sections 410(b) and 401(a)(4) of the Code only if aggregated with this Plan, then the contribution percentages and deferral percentages of Participants shall be determined as if all such plans were a single plan.

c. The determination and treatment of the contribution percentage of any Participant shall satisfy such other requirements as may be prescribed by the Secretary of the Treasury.

19. Adjustments to Contribution Limits.

Notwithstanding any other Plan provision, the Plan Administrator may limit the Pre-Tax Contribution percentage for Employees who have reached the Dollar Limit, or the Pre-Tax and/or After-Tax Contribution percentage(s) for all or a class of Highly Compensated Employees, as it determines is necessary or desirable to assure that the Plan satisfies the requirements of this Article II. To the extent no other Plan requirement is violated, that portion of any elected Pre-Tax Contribution percentage which is limited under this Article III.19, shall instead be treated as an election to make After-Tax Contributions.

20. Adjustments to Contributions.

A Participant may increase or decrease his rate of After-Tax and/or Pre-Tax Contributions at any time by making a new election with the Plan Administrator in accordance with reasonable procedures established by the Plan Administrator. A Participant may suspend After-Tax and/or Pre-Tax Contributions at any time by providing notice to the Plan Administrator in accordance with reasonable procedures established by the Plan Administrator. A Participant may recommence After-Tax and/or Pre-Tax Contributions to the Plan at any time by making a new election with the Plan Administrator. All elections of adjustments to contributions shall be effective as soon as practicable after the election is filed with the Plan Administrator.

21. Permitted Employer Refunds.

Employer contributions hereunder shall be refunded to the Employer under the limited circumstances listed below:

a. Any contribution made by the Employer due to a mistake of fact shall be refunded to the Employer within one year of such contribution.

b. Employer contributions are expressly conditioned on deductibility under section 404 of the Code. Any contribution that is disallowed as a deduction shall be refunded to the Employer within one year of such disallowance.

c. Contributions under the Plan are conditioned upon the initial qualification of the Plan under section 401(a) of the Code, and any contributions shall be refunded to the Employer within one year of a determination by the Internal Revenue Service that the Plan is not qualified.

d. Refunds of contributions due to a disallowance of deduction, a mistake of fact, or a determination by the Internal Revenue Service that the Plan is not qualified shall not include earnings attributable to the amount being refunded due to disallowance, mistake, or determination that the Plan is not qualified, but losses thereto shall reduce the amount to be refunded.

ARTICLE IV - INVESTMENT OPTIONS AND TRANSFERS TO AND FROM THE TRUST

1. All amounts in the Participants' Accounts shall be invested in one or more of the Investment Funds, which shall be designated by the Administrative Committee. Investment Funds may include (but are not limited to) the Fixed Income Fund, the Self-Managed Account and Mutual Funds as designated by the Administrative Committee. No contributions may be allocated directly to the Self-Managed Account.

The Administrative Committee, in its discretion, may change or terminate the existing Investment Funds or establish additional Investment Funds at any time. However, any Investment Fund that is not an investment company registered under the Investment Company Act of 1940 shall be managed by an Investment Manager appointed by the Administrative Committee. The selection of Investment Fund choices and the administration of Plan investments are intended to comply with the requirements of section 404(c) of ERISA and the regulations thereunder. To the extent the requirements of section 404(c) of ERISA are satisfied, neither the Administrative Committee, the Plan Administrator, the Trustee, nor any other Plan fiduciary, shall be responsible for any losses resulting from a Participant's individual selection of Investment Fund choices.

2. All funds of the Plan shall be invested by the Trustee in accordance with the provisions of the Plan and Trust Agreement.

3. A Participant shall elect an investment mix in accordance with procedures established by the Plan Administrator. Subject to the limitation in Article
IV.1 regarding investments in the Self-Managed Account, contributions may be invested in any combination of the investment options available under the Plan in increments of 1%. The Participant may change his election at any time by notifying the Plan Administrator, in accordance with reasonable procedures established by the Plan Administrator, to be effective with the first payroll disbursed after receipt and completion of processing by the Plan Administrator of such direction.

For a Participant who is a WGSC Plan Transferee, as defined in Article
III.1.a (or an individual who would have been identified as an "Employee" under Section 3.15(a) of the Asset Purchase Agreement dated October 25, 2002 between WGSC and CWEMC relating to the purchase of certain assets related to WGSC's Electro-Mechanical Division, except that he had previously retired or terminated from employment), the Participant's most recent investment election, if any, under the WGSGS Plan shall remain in effect under this Plan for purposes of allocating contributions hereunder until changed by the Participant; provided, however, that any amount designated to be allocated to an Investment Fund that is not offered under this Plan shall instead be allocated to the most similar Investment Fund offered under the Plan, as determined by the Plan Administrator.

4. A Participant other than a Terminated Participant who has received a Rollover Distribution from a qualified defined contribution plan or defined benefit plan, or a

distribution from an individual retirement account, or a distribution from an annuity contract described in section 403(b) of the Code, or a distribution from an eligible plan under section 457B(b) of the Code that is maintained by an employer described in section 457(e)(1)(A) of the Code, may elect, in accordance with reasonable procedures established by the Plan Administrator, to rollover not more than the cash value of the distribution, less any amount attributable to the Participant's after-tax contributions, to his Rollover Account within 60 days of receipt of such distribution.

In addition, a Participant other than a Terminated Participant may authorize the Trustee of the Curtiss-Wright Electro-Mechanical Division Pension Plan to transfer the entire balance to the credit of the Participant in such plan directly to his Pension Rollover Account under this Plan if such transfer satisfies the requirements of section 1.411(d)-4, Q&A-3(b) of the Treasury regulations.

The Participant may elect to invest any amount rolled over or transferred to this Plan in any of the investment options available under the Plan in increments of 1%.

5. Any Participant who ceases to be an Employee shall continue to have the authority to direct the investment of his Accounts in accordance with the provisions of Article IV.6.

6. Contributions made by or on behalf of a Participant shall be invested in the Investment Fund or Funds selected by the Participant until the effective date of a new designation which has been properly provided to the Plan Administrator in accordance with reasonable procedures established by the Plan Administrator. A designation provided by a Participant changing his investment options shall apply to investment of future deposits and/or to amounts already accumulated in his Accounts.

A Participant may change his investment options for new contributions and/or change his investment selection with regard to amounts already accumulated in his Accounts at any time by providing notice to the Plan Administrator in accordance with reasonable procedures established by the Plan Administrator.

Any changes in a Participant's investment mix made under this Article IV.6 for new contributions and any changes in a Participant's investments made under this Article IV.6 for amounts already accumulated in his Accounts will take effect as soon as administratively practicable after the transaction has been accepted by the Plan Administrator. Such change shall be subject to any actions taken by the Mutual Fund sponsors based upon liquidity needs.

7. In the event an Employer should sell or acquire shares of stock or other assets or properties of any other company which has a defined contribution plan, qualified under Section 401(a) of the Code, in effect at the time of such sale or acquisition, the Administrative Committee may, in such manner and to such extent as it deems advisable, accept a trust to trust transfer of assets from the defined contribution plan of such company for any employees who will become, or will remain as a Participant in the Plan, provided that the trust from which such assets are transferred permits the transfer to be made and the transfer will not jeopardize the tax exempt status of the Plan or the Trust or create adverse tax consequences for the Employer.

8. If any amounts are directly or indirectly transferred to this Plan in a trust-to-trust transfer from a plan that is described in clause (i) or (ii) of Section 401(a)(11)(B) of the Code or to which clause (III) of Section 401(a)(11)(B)(iii) of the Code applies, such amounts and any earnings thereon shall be subject to the requirements of Section 401(a)(11)(A) and
Section 417 of the Code.

ARTICLE V - VALUATION OF INVESTMENTS AND CREDITS TO ACCOUNTS

1. The value of each Participant's Accounts as of each Valuation Date shall be determined after reflecting any transfers, withdrawals, or contributions as of such date.

2. The interests of a Participant in all Investment Funds except the Self-Managed Account shall be represented by Units that shall be valued and credited to each Participant's Accounts as follows: the value of a Unit of the Investment Funds within each Account of the Participant shall be determined as of each Valuation Date by dividing the total number of Units within each such fund immediately prior to the Valuation Date into the value of all the assets then held by the Trustee with respect to such Fund.

For investments in all Investment Funds except the Self-Managed Account, the appropriate Accounts of each Participant as of each Valuation Date shall be credited with that number of Units (calculated to the fourth decimal place) determined by dividing (a) contributions made and amounts transferred into each of the funds by or on behalf of such Participant by
(b) the value of a Unit of such fund as of the Valuation Date.

3. For investments in all Investment Funds except the Self-Managed Account and any Mutual Funds, the appropriate Accounts of each Participant as of each Valuation Date shall be credited with that number of Units (calculated to the fourth decimal place) determined by dividing (a) contributions made and amounts transferred into each of the funds by or on behalf of such Participant by (b) the value of a Unit of such fund as of the Valuation Date.

4. For investments in the Self-Managed Account, the appropriate Accounts of each Participant as of each Valuation Date shall be credited with that amount that equals the current cash value of the Self-Managed Account.

5. Each Participant shall be fumished with a statement of his Accounts under the Plan, as required by section 404(c) of ERISA and the regulations thereunder, and any other applicable provision of ERISA.

ARTICLE VI - VESTING OF ACCOUNTS

1. A Participant shall at all times be one hundred percent (100%) vested in, and have a nonforfeltable right to, his After-Tax, Pre-Tax, Catch-Up Contribution, Rollover, Pension Rollover, and Additional Contribution Accounts.

2. Notwithstanding any other provision of the Plan to the contrary, a Participant who is a WGSC Plan Transferee, as defined in Article III.1.a shall remain one 100% vested in, and have a nonforfeitable right to, all amounts transferred from the WGSGSP to his Accounts under the Plan.

3. a. Subject to Article VI.2 above and Subsection VI.3.b, a Participant will become vested in amounts credited to his Employer Matching Contribution Account in accordance with the following schedule:

Years of Eligibility Service	Vested Percentage
Less than 1	0%
1 but less than 2	20%
2 but less than 3	40%
3 but less than 4	60%
4 but less than 5	80%
5 or more	100%

b. Notwithstanding Subsections VI.3.a, the Employer Match Contribution Account shall become 100% vested upon the earliest of the retirement, death or attainment of age 65 of a Participant who is earning Eligibility Service at such time.

4. If a Participant terminates employment prior to becoming fully vested in his Employer Match Contribution Account, the unvested portion of such Account will be forfeited. If the Terminated Participant is subsequently re-employed by an Employer, an Affiliated Entity, before incurring 5 consecutive 1 year breaks in service (as defined in Code Section 411(a)(6)(C)), the dollar value of the forfeited amount shall be restored to his Employer Match Contribution Account without adjustment for gains or losses since the date of forfeiture.

5. Any forfeited amounts that are restored pursuant to Article VI.4 shall be invested in accordance with the investment election in effect at the time of restoration. In the event the Participant does not have a current investment election in effect, the restored amount will be invested in the Fixed Income Fund.

ARTICLE VII - DISTRIBUTION OF ACCOUNTS UPON TERMINATION, RETIREMENT, OR DEATH

1. In the event a Participant becomes a Terminated Participant, the following shall apply:

a. If the total value of vested Accounts is $5,000 or less, a total distribution shall be made automatically to a Terminated Participant. Distributions of all Investment Funds shall be made in cash.

b. If the total value of vested Accounts exceeds $5,000, the Terminated Participant may elect a total distribution in cash or may elect to leave his vested Accounts in the Plan. If he elects to leave his vested Accounts in the Plan, all of his Accounts shall continue to be invested as they were immediately prior to his becoming a Terminated Participant, unless he elects to transfer such investments to any other available investment option in the Plan. Amounts that remain in the Plan must be withdrawn in one lump sum only on or prior to the Terminated Participant's Normal Retirement Date; no partial distributions shall be permitted. Participants will be entitled to receive an amount equivalent to the value of the vested Accounts on the first Valuation Date after the distribution has been approved by the Plan Administrator. If no direction is provided by the Participant on or prior to the Terminated Participant's Normal Retirement Date, distributions of all Investment Funds shall be made in cash, as soon as administratively practicable after such Normal Retirement Date.

2. In the event a Participant becomes a Retired Participant, the following shall apply:

a. The Retired Participant may elect an immediate distribution of all of his Accounts in cash. If he elects an immediate distribution, his Accounts shall be distributed to him as soon as practicable after his retirement.

b. The Retired Participant may elect to have his Accounts distributed in accordance with one of the following options:

(1) He may elect to receive monthly or annual installments, the amount of which is determined by the Retired Participant at retirement. Installments will begin as soon as practicable after the request is received from the Retired Participant and approved by the Plan Administrator. Each subsequent annual installment will be processed as soon as practicable on the annual anniversary of the first payment. Monthly installments shall be processed as of the last Valuation Date in each month.

All payments under this option will be in cash and will be derived from the available Accounts of the Retired Participant based upon the following hierarchy:

(i) The portion of the Participant's After-Tax Account attributable to After-Tax Contributions that were not matched and the Pension Rollover Account;

(ii) The portion of the Participant's After-Tax Account attributable to After-Tax Contributions that were matched;

(iii) Rollover Account;

(iv) Employer Match Contribution Account;

(v) Catch-Up Contribution Account;

(vi) Pre-Tax Account;

(vii) Additional Contribution Account;

(viii) Top-Heavy Contribution Account.

Within each Account, the payments will be prorated across all Investment Funds in that Account.

A Retired Participant who elects to receive monthly or annual installments pursuant to this Article VII.2.b(1) may cancel or change such election at any time. He may also elect a partial distribution as described in Article VII.2.b(2).

Notwithstanding the above, payments under this option must be at least equivalent to the amount required under section 401(a)(9) of the Code and regulations issued thereunder as described in Article VII.6.

(2) He may elect to defer receipt of his Accounts until such time as he instructs the Plan Administrator that he wishes to receive his Accounts in whole or in part. In no event, however, may he defer receipt of his first payment beyond April 1 following the calendar year in which he attains age 70-1/2, and such first payment and all subsequent payments must be at least equal to the amounts required under section 401(a)(9) of the Code and regulations issued thereunder as described in Article VII.6. A Retired Participant may request a distribution at any time. The distribution may be either (a) prorated across all Investment Funds in which the Retired Participant is invested or (b) directed against specific funds based upon the Participant's request. The distribution shall be derived from the available Accounts of the Retired Participant based upon the following hierarchy:

(i) The portion of the Participant's After-Tax Account attributable to After-Tax Contributions that were not matched and the Pension Rollover Account;

(ii) The portion of the Participant's After-Tax Account attributable to After-Tax Contributions that were matched;

(iii) Rollover Account;

(iv) Employer Match Contribution Account;

(v) Catch-Up Contribution Account;

(vi) Pre-Tax-Account;

(vii) Additional Contribution Account;

(viii) Top-Heavy Contribution Account.

3. A Participant who becomes a Totally Disabled Participant shall be treated for the purpose of this Article VI as though he were retired on the date he is declared a Totally

Disabled Participant, and he shall be entitled to the same options set forth above in Article VII.2.

4. In the event of the death of a Participant who is not a Terminated Participant, the following shall apply:

a. If the total value of Accounts is $5,000 or less, a total distribution shall be made in cash, automatically, to the designated Beneficiary.

b. If the total value of Accounts exceeds $5,000 and the designated Beneficiary is not the Surviving Spouse, a total distribution shall be made in cash, automatically, to the designated Beneficiary.

c. If the total value of Accounts exceeds $5,000 and the designated Beneficiary is the Surviving Spouse, the Surviving Spouse may elect a total distribution or may elect to leave his Accounts in the Plan. If the Surviving Spouse elects to leave his Accounts in the Plan, he shall be treated as a Retired Participant and the investment and payment options which are available to Retired Participants shall be available to the Surviving Spouse.

5. In the event of the death of a Terminated Participant, a total distribution shall be made in cash, automatically, to the designated Beneficiary.

6. In no event shall a Participant (or Beneficiary, if applicable) receive less than the minimum annual payment as required by section 401(a)(9) of the Code and regulations thereunder, including Treasury regulation section 1.401(a)(9)-2. The provisions of this Article VII.6 override any distribution options in the Plan which are inconsistent with section 401(a)(9) of the Code.

The first minimum payment for a Participant who is required to receive a distribution in accordance with section 401(a)(9) of the Code shall be determined by dividing (i) the total value of the Participant's Accounts at the beginning of the year in which he is required to take a distribution pursuant to the requirements of section 401(a)(9) of the Code by the life expectancy factor set forth in Treasury regulations for the life of that Participant (or, if applicable, the joint life expectancy factor set forth in Treasury regulations for the lives of the Participant and his designated Beneficiary).

The first minimum payment must be made by April I of the year following the later of the year during which the Participant (a) attains age 70 1/2, or
(b) retires; provided, however, that the first minimum payment must be made by April I following the year in which the Participant attains age 70 1/2 if the Participant is a 5%-owner of the Company. The second minimum payment uses the total value of the Participant's Accounts at the end of the year during which the preceding sentence first applies (reduced by the first payment if such payment is not made during the year in which the preceding sentence first applies) and the original life expectancy factor decreased by 1 year. This second minimum payment is due by the end of the year following the year during which he attains age 70 1/2 or retires (age 70 1/2 if the Participant is a 5%-owner of the Company). All subsequent minimum payments are required to be made by the end of each year using the total value of the Participant's Accounts at the end of the previous year and the previous life expectancy factor decreased by 1 year.

If the Participant dies before the time when distributions are considered to have commenced in accordance with section 401(a)(9) of the Code, distributions will satisfy section 401(a)(9) of the Code as follows: (1) any remaining portion of the Participant's Accounts that is not payable to a Beneficiary will be distributed within five years after the Participant's death; and (ii) any portion of the Participant's interest that is payable to a Beneficiary will be distributed either (a) if the Beneficiary elects, within five years after the Participant's death, or (b) over the life of the Benefciary or over a period certain not extending beyond the life expectancy of the Beneficiary, commencing no later than the end of the calendar year following the calendar year in which the Participant died (or, if the Beneficiary is the Participant's surviving spouse, commencing not later than the end of the calendar year following the calendar year in which the Participant would have attained age 70 1/2). If the Participant dies after the time when distributions are considered to have commenced in accordance with section 401(a)(9) of the Code, any remaining portion of the Participant's Accounts will be distributed at least as rapidly as under the distribution method being used under section 401(a)(9)(A)(ii) of the Code, as of the Participant's death.

7. Unless the Alternate Payee is an Employee or a Retired Participant, any amounts segregated under this Plan for the benefit of the Alternate Payee pursuant to a QDRO shall be distributed to the Alternate Payee as soon as practicable following the qualification of the QDRO by the Plan Administrator.

8. Each Participant shall keep the Plan Administrator informed of his current address and the current address of his Beneficiary(ies). Neither the Plan Administrator, the Company, the Administrative Committee nor the Trustee shall be obligated to search for the whereabouts of any person. If the location of a Participant is not made known to the Plan Administrator and after diligent efforts to ascertain the whereabouts of the Participant or Beneficiary(ies) prove unsuccessful, the total value of the Participant's Accounts shall be deemed a forfeiture and shall be used to reduce the amount of Employer Match Contributions required to be made by the Employer to the Plan for the Plan Year next following the year in which the forfeiture occurs; provided, however, that in the event that the Participant or a Beneficiary makes a claim for any amount that has been forfeited, the Accounts which have been forfeited shall be reinstated without adjustment for gains or losses.

9. Subject to the minimum distribution rules set forth in Article VII.6, unless otherwise elected by a Participant, distribution of Plan benefits will begin not later than 60 days after the close of the Plan Year in which the latest of the following occurs:

a. the Participant attains age 65;

b. the 10th anniversary of the date the Participant commenced participation in the Plan; or

c. the date the Participant terminates service with an Employer.

10. Rollovers Out of the Plan.

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Article, a "Distributee" (as defined in Article VII.11) may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an "Eligible Rollover Distribution" (as defined in Article VII.12) paid directly to an "Eligible Retirement Plan" (as defined in Article VII.13) specified by the Distributee in a "Direct Rollover" (as defined in Article VII.14).

11. Distributee.

A Distributee includes an Employee. In addition, the Employee's or former Employee's Surviving Spouse and the Employee's or former Employee's spouse or former spouse who is the Alternate Payee under a QDRO, as defined in section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.

12. Eligible Rollover Distribution.

An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of 10 years or more; (ii) any distribution to the extent such distribution is required under section 401(a)(9) of the Code; (ii) a hardship distribution as described in Article VIII.2; and (iii) the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities). Notwithstanding clause (iii) of the foregoing sentence, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income, provided, however, such portion may be transferred only to an individual retirement account or annuity described in section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

13. Eligible Retirement Plan.

An Eligible Retirement Plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified trust described in section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution, an annuity contract described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan.

14. Direct Rollover.

A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

15. A Terminated Participant or a Retired Participant may authorize the Trustee of this Plan to transfer the total value of such Participant's Accounts from the Trust of this Plan to the trust of any other qualified plan which permits such transfers, if such transfer satisfies the requirements of section 1.411(d)-4, Q&A-3(b) of the Treasury regulations. Any transfer shall be in a form acceptable to the plan to which such distribution is being transferred, subject to the terms of this Plan.

16. Subject to Article VII.6, Article VII.7, and Article VII.9, a Participant who is earning Eligibility Service shall not be eligible to receive a distribution under the Plan.

ARTICLE VIII - IN-SERVICE WITHDRAWALS

1. A Participant shall be permitted to make a withdrawal for any reason from his Pension Rollover Account or Rollover Account.

A Vested Participant shall be permitted to make a withdrawal for any reason from his After-Tax Account.

A Non-Vested Participant shall be permitted to make a withdrawal for any reason from that portion of his After-Tax Account which represents contributions that were not matched by contributions in the Employer Match Contribution Account.

A Non-Vested Participant shall be permitted to make a withdrawal from that portion of his After-Tax Account which represents contributions that were matched by contributions in the Employer Match Contribution Account only in the case of a hardship as defined in Article VIII.2. This hardship withdrawal is available to a Non-Vested Participant only after he has withdrawn the total amount available under the terms of this Article VIII.

For purposes of this Article VIII.1, a Participant who is vested in his Employer Match Contribution Account pursuant to Article VI.2 only shall be treated as a Non-Vested Participant.

2. A Non-Vested Participant shall be permitted to make a withdrawal from his Pre-Tax Account or his Catch-Up Contribution Account only in the case of a hardship.

A Vested Participant shall be permitted to make a withdrawal for any reason from his Pre-Tax Account upon the attainment of age 59 1/2. A Vested Participant shall be permitted to make a withdrawal from his Pre-Tax Account or his Catch-Up Contribution Account before attaining age 59 1/2 only in the case of hardship.

For purposes of this Article VIII.2, a Participant who is vested in his Employer Match Contribution Account pursuant to Article VI.2 only shall be treated as a Non-Vested Participant.

Hardship withdrawals from the Pre-Tax Account or Catch-Up are limited to the amount contributed by the Participant to the Pre-Tax Account or Catch-Up Contribution, or the value of such Account, whichever is less. The following situations are considered to constitute a hardship for purposes of this Plan:

a. medical expenses (described in section 213(d) of the Code) incurred by the Participant, his spouse, his children, or his dependents;

b. purchase of a principal residence of the Participant (excluding mortgage payments);

c. payment of tuition for the next 12 months of post-secondary education for the Participant, his spouse, his children, or his dependents;

d. the need to prevent eviction of the Participant from his principal residence or foreclosure on the mortgage of the Participant's principal residence; or

e. an immediate and heavy financial need as determined in a uniform and nondiscriminatory manner by the Plan Administrator based upon the facts and circumstances of a particular situation.

3. Each time a Participant applies for a hardship withdrawal, he must submit documentation to substantiate the withdrawal as required by the Plan Administrator.

A hardship withdrawal shall not be permitted from the Pre-Tax Account and/or the Catch-Up Contribution Account and/or the After-Tax Account (matched portion), if the Participant has other resources available to meet the financial need. In order to qualify for a hardship withdrawal from his Pre-Tax Account and/or the After-Tax Account (matched portion), a Participant must withdraw the total amount available for withdrawal absent hardship from his After-Tax Account and Employer Match Contribution Account and submit a statement that acknowledges that his situation cannot be relieved by any of the following:

a. the proceeds from an insurance policy;

b. the reasonable liquidation of the Participant's assets;

c. the discontinuance of the Participant's contributions under the Plan; or

d. a loan from his Pre-Tax Account, a distribution or loan from any other plan, or a commercial loan.

If a loan is available from this Plan in the amount that would satisfy the hardship request, a Pre-Tax Account hardship withdrawal will not be permitted.

A hardship withdrawal from a Participant's Pre-Tax Account or Catch-Up Contributions Account may not be made unless the Participant is suspended from making After-tax Contributions to the Plan and he is suspended from having Pre-Tax Contributions, Catch-up Contributions and Employer Match Contributions made on his behalf to the Plan (and he is suspended from making employee contributions and elective contributions to all other qualified and nonqualified plans of deferred compensation inclusive of stock option, stock purchase, and similar plans maintained by an Employer or an Affiliated Entity, excluding mandatory employee contributions to a defined benefit plan or health or welfare benefit plans, and, further, is prohibited from exercising any option granted to him under any of the Company's stock option plans) for the 6 month period beginning on the effective date of the withdrawal pursuant to Article VIII.2.

4. A Vested Participant shall be permitted to make a withdrawal for any reason from his Employer Match Contribution Account.

A Non-Vested Participant shall not be permitted to make a withdrawal from his Employer Match Contribution Account.

For purposes of this Article VIII.4 a Participant who is vested in his Employer Match Contribution Account pursuant to Article VI.2 only shall be treated as a Non-Vested Participant.

5. To the extent permitted in Articles VIII.1, VIII.2, VIII.3, and VIII.4 in-service withdrawals will be permitted at any time; provided, however, that no in-service withdrawals of amounts held in the Self-Managed Account are permitted.

A request for an in-service withdrawal must be made to the Plan Administrator. All withdrawals, with the exception of hardship withdrawals, may be either (a) prorated across all Investment Funds in which the Participant is invested or (b) directed against specific Investment Funds based upon the Participant's request. Distributions of all Investment Funds shall be made in cash.

All non-hardship withdrawals will be derived from the available Accounts of each Participant based upon the following hierarchy:

a. The portion of the Participant's After-Tax Account attributable to After-Tax Contributions that were not matched and the Pension Rollover Account;

b. The portion of the Participant's After-Tax Account attributable to After-Tax Contributions that were matched;

c. Rollover Account;

d. Employer Match Contribution Account (if the Participant is a Vested Participant);

e. Pre-Tax Account.

Hardship withdrawals will be derived from the Account from which the hardship is being taken and will be prorated across all Investment Funds in which the Participant is invested in that Account.

ARTICLE IX - LOANS

1. A Participant, other than a Terminated Participant, a Retired Participant, a Totally Disabled Participant or a Surviving Spouse, may request a loan from his Accounts in the Plan in accordance with the following:

a. Loans must be requested in multiples of $100 with a minimum amount of $1,000. The maximum loan amount is limited by law to be 50% of the vested balance in his Accounts, with an overall maximum of $50,000 reduced by the highest outstanding loan balance during the preceding 12 months. If a Participant requests a loan that exceeds the maximum allowable loan, the loan will be issued for the maximum amount available.

b. The Plan Administrator shall determine whether the application for a loan is to be approved. All applications for loans shall be evaluated in a uniform and nondiscriminatory manner. A Participant who takes a loan from the Plan shall be subject to, and will be required to comply with the specific terms and conditions of any loans made under the Plan, as established by the Plan Administrator.

c. To the extent permitted in this Article IX, a Participant will be permitted to have up to 2 outstanding loans at any given time. Loans may be either (i) prorated across all Investment Funds in which the Participant is invested or (ii) directed against specific Investment Funds based upon the Participant's request; provided, however, that no loan may be taken from amounts held in the Self-Managed Account. All loans will be derived from the available Accounts of each Participant based upon the following hierarchy:

(1) Vested Participants:

(i) Pre-Tax Account;

(ii) Employer Match Account;

(iii) After-Tax Account and Pension Rollover Account;

(iv) Rollover Account.

(2) Non-Vested Participants (for purposes of this Article IX, a Participant who is vested in his Employer Match Contribution Account pursuant to Article VI.2 only shall be treated as a Non-Vested Participant):

(i) Pre-Tax Account;

(ii) After-Tax Account and Pension Rollover Account;

(iii) Rollover Account.

d. Loans shall be made to the Participant in cash and shall be derived from the Participant's Investment Funds based upon the value as of the first Valuation Date after the loan has been approved by the Plan Administrator.

e. Loan repayments shall be made by payroll deductions. The Participant may elect repayment periods of 6 to 60 months in increments of 6 months.

At any time prior to the due date of the final loan payment, the Participant may elect to partially repay the loan or make repayment in full.

During the repayment period, loan repayments shall be allocated to the Accounts of Participants in reverse order from which the loan was derived. Repayments shall be invested in the investment options in effect for current contributions at the time the repayments are made. In the event the Participant does not have a current election in effect for either his Pre-Tax Contributions or his After-Tax Contributions, the current election in effect for his Employer Match Contribution Account shall be used; provided, however, that no amount of a loan repayment shall be allocated to the Self-Managed Account. If a current election does not exist for his Employer Match Contribution Account, then the repayments shall be invested in the Fixed Income Fund.

Repayments to an Investment Fund shall purchase Units based upon the value of each Unit on the Valuation Date in which the Accounts of Participants are credited.

f. For each Calendar Month, the interest rate to be charged for the term of the loans initiated in the Calendar Month shall be the prime interest rate from the Wall Street Journal as of the last business day of the month prior to the month in which the loan is processed plus one percent 1%.

g. (1) A Participant shall be required to continue to meet his loan repayment obligation for any period during which he is not receiving pay due to disability, layoff, furlough or leave of absence. In such event, the Participant shall be required to make his scheduled loan repayments by check or money order.

Notwithstanding the foregoing, a Participant on an unpaid leave of absence may elect to not make repayments for a period that does not extend beyond 12 months after the commencement of such leave of absence. Such election shall be made in writing and filed with the Plan Administrator within 30 days after the commencement of the Participant's leave. At the end of such period, the Participant's loan repayment installments shall recommence, and such installments must be at least equal to the installments required under the original terms of the loan. In any event, the Participant must repay the entire loan by the end of the 60-month period beginning when the loan was made.

(2) A Participant who (i) becomes a Retired Participant or a Totally Disabled Participant, or (ii) transfers employment from an Employer to an Affiliated Employer, an Excluded Unit (a "Transferred Employee"),

may elect to continue to make repayments by check or money order while employed by such entity.

A Terminated Participant or a Surviving Spouse may repay the total outstanding loan balance in a single payment within 60 days of his termination or death. If a Terminated Participant (other than a Transferred Employee) or Surviving Spouse does not repay the loan within 60 days after termination or death, the outstanding loan balance will be treated as a distribution.

(3) Notwithstanding Subsections IX.1.g.(1) and (2) above, a Participant who is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) shall not be required to continue to repay his loan until the end of such period of service.

h. Any loans made, renewed, renegotiated, modified, or extended after the Effective Date shall be subject to the provisions of this Article IX. All loans previously made under the Westinghouse Government Services Group Savings Plan, or a transferor plan with respect to that plan, shall be subject to the rules in effect under such plan at the time the loan was made.

ARTICLE X - DESIGNATION OF BENEFICIARY

1. Each Participant shall file with the Plan Administrator a written designation of Beneficiary which shall be effective when received by the Plan Administrator. A Beneficiary designation may be changed by the Participant at any time upon written notice to the Plan Administrator, subject to the rules below for married Participants.

2. The Beneficiary of a married Participant must be the Participant's spouse unless the Participant's spouse has given written consent to the designation of some other person or persons as a Beneficiary. Such consent must be witnessed by a notary public. Notwithstanding the foregoing, if a Participant establishes to the satisfaction of the Plan Administrator that a written consent cannot be obtained because the spouse cannot be located, or because of such other circumstances as may be permitted by law, spousal consent shall not be required. Any consent (or establishment that consent is not required) necessary under this provision will be valid only with respect to such spouse, but may not be revoked by such spouse. A revocation of a prior waiver may be made by a Participant without the consent of the spouse at any time before the Participant's retirement date. The number of revocations by a Participant shall not be limited. Any new waiver or change of Beneficiary will require a new spousal consent.

3. An unmarried Participant may designate any person or persons as a Beneficiary without restriction. However, an unmarried Participant who later marries must at that time obtain spousal consent (as described in Article X.2) in order for the Participant's existing Beneficiary designation to remain valid. If a divorced Participant later remarries, the Participant must obtain the consent of the Participant's new spouse to the Beneficiary designation, even if the Participant obtained the consent of the Participant's former spouse to the Beneficiary designation.

4. In the absence of spousal consent to the designation of some other person or persons as a Beneficiary, the Participant's interest in the Plan shall be distributed to the Surviving Spouse at the time of such Participant's death in accordance with the provisions of Article VII.4 or VII.5. Notwithstanding the fact that a Participant has obtained spousal consent to the designation of some other person or persons as a Beneficiary, if the validly designated Beneficiary is not living at the time of such Participant's death, or if such designation is not effective for any reason, then the death benefit shall be payable to the deceased Participant's Spouse. If there is no Surviving Spouse, distribution shall be made to the legal representative of the Participant.

5. No Beneficiary shall, prior to the death of the Participant by whom he has been designated, acquire any interest in the Participant's Accounts in the Plan or in the assets of the Trust.

ARTICLE XI - VOTING OF STOCK

1. Each Participant who has an investment in the Self-Managed Account will be furnished any proxy material relating to such Self-Managed Account, together with a form on which may be set forth the Participant's voting of investments under the Participant's Self-Managed Account.

2. With respect to investments in Mutual Funds, the Administrative Committee shall vote such investments in accordance with the best interests of the Participants and Beneficiaries.

ARTICLE XII - TERMINATION OR SUSPENSION OF THE PLAN

1. The Company, acting by written resolution of the Board (or a duly authorized delegate of the Board), may at any time, and from time to time amend, in whole or in part, any and all of the provisions of the Plan, suspend the Plan or terminate the Plan. The Administrative Committee (or a duly authorized delegate) may also adopt certain Plan amendments in accordance with Article XIV.2. Notwithstanding the above, no amendment, suspension or termination shall adversely affect any rights of a Participant to amounts credited to his Accounts prior to the date of amendment, suspension or termination. Furthermore, if the vesting schedule of the Plan is amended, in the case of an Employee who is a Participant as of the later of the date such amendment is adopted or the date it becomes effective, the nonforfeitable percentage (determined as of such date) of such Employee's Employer Match Contribution Account will not be less than the percentage computed under the Plan without regard to such amendment.

2. In the event of the termination or partial termination of the Plan or upon complete discontinuation of contributions to the Plan, there shall automatically vest in each Participant affected by such termination or partial termination all rights to the entire amount credited to his Employer Match Contribution Account, and all amounts then credited to all Accounts for each Participant affected by such termination or partial termination shall be distributed to him in accordance with ERISA and the Code.

3. If the Plan's vesting schedule is amended, or the Plan is amended in any way that directly or indirectly affects the computation of the nonforfeitable percentage of Participants' Employer Match Contribution Accounts, or if the Plan is deemed amended by an automatic change to or from a top-heavy vesting schedule, each Participant with at least 3 years of Eligibility Service may elect, within a reasonable period after the adoption of the amendment or change, to have the nonforfeitable percentage computed without regard to such amendment or change.

ARTICLE XIII - TRUSTEE

1. The Administrative Committee shall appoint one or more individuals or corporations to act as Trustee under the Plan and may at any time remove any Trustee and appoint a successor Trustee.

2. The Administrative Committee and the Trustee shall enter into a trust agreement providing for the Trust. The Administrative Committee may also from time to time enter into such further agreements with the Trustee or other parties, make such amendments to such trust agreement or further agreements, and take such other steps and execute such other instruments as it, in its sole discretion, may deem necessary or desirable to carry the Plan into effect or to facilitate its administration.

ARTICLE XIV - ADMINISTRATION

1. Company.

The Company is the sponsor and "named fiduciary" of the Plan within the meaning of section 402(a)(2) of ERISA. The Company has all powers and responsibilities not otherwise assigned to the Trustee or the Investment Manager(s).

2. Administrative Committee.

The Administrative Committee (or its delegate) may act on the Company's behalf as the sponsor and "named fiduciary" of the Plan with respect to Plan administrative matters. Acting on behalf of the Company, and subject to the terms of the Plan, the Trust Agreement and applicable resolutions of the Board, the Administrative Committee (or its delegate) has full and absolute discretion and authority to control and manage the operation and administration of the Plan, and to interpret and apply the terms of the Plan and the Trust Agreement. This full and absolute discretion and authority includes, but is not limited to, the power to:

a. interpret, construe, and apply the provisions of the Plan and Trust Agreement, and any construction adopted by the Administrative Committee in good faith shall be final and binding;

b. adopt Plan amendments that (1) are required by ERISA or other applicable law or regulation governing qualification of employee benefit plans, or are necessary for Plan administration, and which do not materially increase costs to the Plan or the Company or materially change Participants' benefits under the Plan, (2) implement special rules in Article XV.6 for acquisitions, sales, and other dispositions, (3) revise the list of Employers in Appendix C, or (4) clarify ambiguous or unclear Plan provisions; provided that such amendments will be made in writing and will be made according to procedures established by the Administrative Committee;

c. review appeals from the denial of benefits;

d. change or terminate the existing Investment Fund options offered under the Plan or establish additional Investment Fund options;

e. appoint and dismiss Investment Managers (as described by section 3(38) of ERISA) and the Trustee;

f. provide guidelines and directions to, and monitor the performance of, Investment Managers and the Trustee; and

g. manage the cost and financial aspects of the Plan.

The Administrative Committee may employ, appoint, and dismiss advisors and advisory committees as the Administrative Committee deems necessary to carry out the provisions of the Plan and the Trust Agreement, including attorneys, accountants, actuaries, clerks, or other agents, and may delegate any of its authority and duties to such persons.

3. Plan Administrator.

The Company shall be the Plan Administrator, unless the Company, in its discretion, shall designate a different Plan Administrator. The Plan Administrator is responsible for, and has authority to:

a. adopt reasonable and uniform rules and procedures as necessary or appropriate for Plan administration and the processing of claims for benefits;

b. make all initial determinations regarding claims for benefits, including authority to interpret and apply any applicable Plan provisions to the facts involved in each benefits claim, and provide notice described in Article XIV.8 to any claimant whose claim is denied;

c. direct the Trustee regarding: (1) payment of benefits to Participants; and (2) payment of the reasonable and necessary expenses of the Plan from Plan assets;

d. obtain fidelity bonds and fiduciary insurance coverage, in accordance with applicable provisions of ERISA; and

e. comply with and monitor the Plan's continued compliance with all governmental laws and regulations relating to recordkeeping and reporting of Participants' benefits, other notifications to Participants, registration with the Internal Revenue Service, and reports to the Department of Labor.

4. Trustee.

The Trustee has exclusive responsibility for control and management of Plan assets, in accordance with the Trust Agreement. The Trustee is responsible for, and has authority to:

a. invest, manage, and control Plan assets, subject to the direction of the Administrative Committee and Investment Manager(s) appointed by the Administrative Committee;

b. maintain records and accounts of all contributions, receipts, investments, distributions, expenses, disbursements, and all other transactions; and

c. prepare records, reports, statements, tax returns, and forms required to be fumished to Participants or filed with the Secretary of Labor or Treasury, as required by the Trust Agreement, or the directions of the Administrative Committee.

5. Allocation of Fiduciary Authority.

The Company, the Administrative Committee, the Trustee and the Investment Manager(s), and any other person having fiduciary responsibility, as described in section 3(21) of ERISA, with respect to the Plan (collectively, the "Plan Fiduciaries") each have individual responsibility for the prudent execution of their responsibilities assigned under this Plan, and are not responsible for acts or failures by another Fiduciary, unless the Plan provides for shared fiduciary responsibility. Plan Fiduciaries are obligated to discharge their duties with respect to the Plan solely and exclusively in the interest of Plan Participants and their Beneficiaries, and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

Whenever the Plan or Trust Agreement requires one Fiduciary to provide information or direct the activities of another Fiduciary, the two may not be deemed to have shared fiduciary responsibility -- rather, the Fiduciary giving directions or providing information is solely responsible for prudently directing or informing the other, and the Fiduciary receiving the direction or information is entitled to rely on that direction or information as proper under the Plan, the Trust Agreement, and applicable law.

Any individual may serve in more than one capacity, e.g. the same individual may serve on the Administrative Committee and as an agent of the Company or the Plan Administrator.

No person or entity shall function or be deemed to function as a fiduciary in connection with actions affecting the design of the Plan, including, without limitation, amendments, designations of participating Employers and Excluded Units, and adoption of rules relating to acquisitions, sales and other dispositions under Article IV.7.

6. Indemnification.

a. To the extent permitted by applicable law, the Board, the Administrative Committee, the Plan Administrator, and any employee, officer, or director of the Employer, an Affiliated Entity, to whom duties and responsibilities have been allocated or delegated under this Plan and Trust ("Covered Persons"), shall be indemnified and saved harmless by the Plan and Trust from and against any and all claims of liability arising in connection with the exercise of the Covered Person's duties and responsibilities with respect to the Plan and Trust by reason of any act or omission, including all expenses reasonably incurred in the defense of such act or omission, unless:

(1) it will be established by final judgment of a court of competent jurisdiction that such act or omission, including all expenses reasonably incurred in the defense of such act or omission, involved a violation of the duties imposed by Part 4 of Subtitle B of Title I of ERISA on the part of such Covered Person, or

(2) in the event of settlement or other disposition of such claim involving the Plan and Trust, it is determined by written opinion of independent

counsel that such act or omission involved a violation of the duties imposed by Part 4 of Subtitle B of Title I of ERISA on the part of such Covered Person.

b. To the extent permitted by applicable law, the Trust will pay expenses (including reasonable attorneys' fees and disbursements), judgments, fines, and amounts paid in settlement incurred by the Covered Person in connection with any of the proceedings described above, provided that:

(1) the Covered Person will repay such advanced expenses to the Trust, plus reasonable interest, if it is established by a final judgment of a court of competent jurisdiction, or by written opinion of independent counsel under the circumstances described above, that the Covered Person violated duties under Part 4 of Subtitle B of Title I of ERISA; and

(2) the Covered Person will make appropriate arrangements for repayment of advanced expenses.

Notwithstanding the foregoing, no such advanced expenses will be made in connection with any claim against a Covered Person that is made by the Plan, provided that upon final disposition of such claim, the expenses (including reasonable attorneys' fees and disbursements), judgments, fines, and amounts paid in settlement incurred by the Covered Person will be reimbursed by the Plan to the extent provided above.

7. Claims for Benefits.

Each person (including any Employee, former Employee, Surviving Spouse, or other Plan Beneficiary) must file a written claim with the Plan Administrator for any benefit to which that person believes he is entitled under this Plan, in accordance with reasonable procedures established by the Plan Administrator.

Generally, the Plan Administrator is required to decide each claim within 90 days of the date on which the claim is filed. If special circumstances require a longer period for adjudication, the Plan Administrator must notify the claimant in writing of the reasons for an extension of time, and the date by which the Plan Administrator will decide the claim, before the 90 day period expires. Extensions beyond 90 days after the expiration of the initial 90 day period are not permitted. If the Administrator does not notify the claimant of its decision to grant or deny a claim within the time specified by this section, the claim will be deemed to have been denied and the appeal procedure described in Article XIV.9 below will become available to the claimant.

8. Notice of Denial.

If the Plan Administrator denies a claim for benefits under the Plan, the claimant will receive a written notice that explains:

a. the specific reason for the denial, including specific reference to pertinent Plan provisions on which the denial is based;

b. any additional information or material necessary to perfect a claim, with an explanation of why such material is necessary, if any information would be helpful or appropriate to further consideration of the claim; and

c. the steps to be taken if the claimant wishes to appeal, including the time available for appeal.

9. Appeal of Denied Claims for Benefits.

Claimants must submit a written request appealing the denial of a claim within 60 days after receipt of notice described by Article XIV.8. Claimants may review all pertinent documents, and submit issues and comments in writing. The Administrative Committee (or its delegate) will provide a full and fair review of all appeals from denial of a claim for benefits, and its decision will be final and binding.

The decision of the Administrative Committee (or its delegate) ordinarily will be given within 60 days after receipt of a written request for appeal, unless special circumstances require an extension (such as for a hearing). If an extension of time for appeal is necessary, the claimant will receive written notice of the extension before the 60 day period expires. The decision may not be delayed beyond 120 days after receipt of the written request for appeal. Notice of the decision on appeal will be provided in writing, and will explain the basis for the decision, including reference to applicable provisions of the Plan, in a manner calculated to be understood by the person who appealed the denial of a claim.

10. Exhaustion of Remedies.

No legal action for benefits under the Plan may be brought unless and until the following steps have occurred:

a. the claimant has submitted a written application for benefits in accordance with Article XIV.7;

b. the claimant has been notified that the claim has been denied, as provided by Article XIV.8;

c. the claimant has filed a written request appealing the denial in accordance with Article XIV.9; and

d. the claimant has been notified in writing that the Administrative Committee (or its delegate) have denied the claimant's appeal, or the Administrative Committee has failed to act on the appeal within the time prescribed by Article XIV.9.

11. Spendthrift Provision.

No Plan benefit will be subject in any manner to anticipation, pledge, encumbrance, alienation, levy, or assignment, nor to seizure, attachment, or other legal process for the debts of any Employee, former Employee, or other Plan Beneficiary, except (a) pursuant to a Qualified Domestic Relations Order under section 414(p) of the Code or

a domestic relations order entered before January 1, 1985, that the Plan Administrator treats as a Qualified Domestic Relations Order, or (b) as otherwise allowed under section 401(a)(I 3) of the Code.

12. Payment in Event of Incapacity.

If the Plan Administrator determines that a person entitled to receive any Plan benefit is under a legal disability or is incapacitated in any way so as to be unable to manage his financial affairs, the Plan Administrator may direct that payments be made to such person's legal representative, or to a relative or other individual for such person's benefit, or to otherwise apply the payment for the benefit of such person, subject to such conditions as the Plan Administrator deems appropriate. Any payment of a benefit in accordance with the provisions of this Section will be a complete discharge of any liability by the Plan to make such payment.

13. Expenses of the Plan.

Reasonable expenses of the Plan, including indemnification under Article
XIV.6, may be paid from Plan assets, unless paid by an Employer. Each Employer is entitled to reimbursement of direct expenses properly and actually incurred in providing services to the Plan, in accordance with applicable provisions of ERISA.

14. Governing Law.

The Plan will be construed, interpreted, and enforced according to the laws of Pennsylvania, to the extent such laws are not inconsistent with and preempted by ERISA.

15. Military Service.

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code.

ARTICLE XV- GENERAL PROVISIONS

1. The act of establishing the Plan, any provision hereof or any action taken hereunder shall not be construed as giving any Participant the right to be retained as an Employee of an Employer, and the right of an Employer to terminate the employment of any Employee is specifically reserved.

2. An Employer may require compliance with or satisfaction of any legal requirement which may be deemed by it necessary as a condition for participation in the Plan or for distribution of interests or benefits hereunder.

3 By participating in the Plan or accepting any benefits hereunder, a Participant and any person claiming under or through him shall thereby be conclusively deemed to have accepted and consented to the application to him of the provisions of the Plan as interpreted by the Administrative Committee, as set forth in Article XIV.

4. In the case of any merger or consolidation with, or transfer of assets or liabilities to any other plan, each Participant in this Plan shall (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer, which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if this Plan had then terminated).

5. Any provisions in this Plan to the contrary notwithstanding, in the event an Employee transfers directly to any other corporation or affiliate thereof in connection with the transfer to such other corporation maintained or operated under contract by an Employer, or who may be transferred by any such other corporation or affiliate thereof to another affiliate thereof subsequent to his transfer from an Employer, the Administrative Committee may, for legitimate business reasons including a reciprocal service agreement, treat service with any such other corporations as service with an Employer for purposes of vesting and for determining eligibility for any account balance to the date of such transfer or any other benefits under this Plan which are dependent on a service-eligibility requirement.

6. Any provisions in this Plan to the contrary notwithstanding, special rules relating to designated corporate transactions, or to the merger or consolidation with or transfer of assets or liabilities to or from, any other plan are set out in Appendix D.

IN WITNESS WHEREOF, the Companv has caused this instrument to be executed by its authorized officer, to be effective as of the first day of January, 2004.

CURTISS-WRIGHT CORPORATION

By

APPENDIX A - SECTION 415 LIMITATIONS

In the event the provisions contained in this Appendix A are inconsistent with the terms contained in the remainder of the Plan, the provisions of this Appendix A shall take precedence.

A. Overall Limits on Contributions.

Contributions made on behalf of any Participant during any Plan Year shall be subject to the following:

1. Except to the extent permitted under section 414(v) of the Code, if applicable, the annual addition that may be contributed or allocated to a participant's account under the plan for any limitation year shall not exceed the lesser of:

(i) $40,000, as adjusted for increases in the cost-of-living under section 415(d) of the Code, or

(ii) 100% of the participant's compensation, within the meaning of Appendix A.A.4, for the Limitation Year. The compensation limit referred to in this paragraph (ii) shall not apply to any contribution for medical benefits after separation from service (within the meaning of section 401 (h) or section 419A(d)(2) of the Code) which is otherwise treated as an Annual Addition.

2. Contributions made on behalf of a Participant during a payroll period which begins in one Plan Year but ends in the next succeeding Plan Year shall be deemed an Annual Addition for the next succeeding Plan Year.

3. The limitations of this Appendix A shall be applied to this Plan before they are applied to any other defined contribution plan of the Employer or Employer's Controlled Group, except that if Employee contributions to a defined benefit plan maintained by the Employer or Employer's Controlled Group are, pursuant to section 1.415-3(d)(1) of the Treasury regulations, considered a separate defined contribution plan that is subject to the limitations on contributions and other additions described in section 1.415-6 of the Treasury regulations, any required return of excess amounts shall be made last from such plan. This Appendix A shall be satisfied prior to satisfying the ADP test.

4. For purposes of this Appendix A, "compensation" means the wages, salaries, and other amounts paid in respect of an employee for services actually rendered to an Employer or an Affiliated Entity, including by way of example, overtime, bonuses, and commissions, but excluding deferred compensation, stock options, and other distributions which receive special tax benefits under the Code. "Compensation" shall include amounts contributed by the Employer pursuant to a salary reduction agreement which are not includible in the gross income of the employee under Sections 125, 132(f),
402(g)(3), 414(v) or 457(b)

of the Code. "Compensation" for a Plan Year shall be limited to $200,000, as adjusted in accordance with section 401(a)(17)(B) of the Code.

B. Distributions Of Excessive Annual Additions

1. If, as a result of a reasonable error in estimating a Participant's compensation (as defined in section 415(c)(3) of the Code), a reasonable error in determining the amount of Participant Pre-Tax Contributions (within the meaning of section 402(g)(3) of the Code) that may be made with respect to any Participant under the limits of Appendix A.A.1 or other facts and circumstances to which section 1.415-6(b)(6) of the Treasury regulations shall be applicable, the Annual Additions under this Plan would cause the maximum Annual Additions to be exceeded for any Participant, the Plan Administrator may return any Participant After-Tax Contributions credited for the year or may distribute any Participant Pre-Tax Contributions (within the meaning of section 402(g)(3) of the Code) necessary to eliminate the "excess amount."

2. For purposes of this Appendix A.B, "excess amount" for any Participant for a year means the excess, if any, of the Annual Additions which would be credited to his Accounts under the terms of the Plan without regard to the limitations of section 415 of the Code over the maximum Annual Additions determined pursuant to Appendix A.A.1.

3. The Company retains the right to adjust both Participant's Pre-Tax and After-Tax Contributions to ensure compliance with the limits imposed by section 415(c) of the Code.

4. If the Annual Addition must be limited for any Participant after application of the above in order to comply with section 415 of the Code, the excess amounts in the Participant's account in the next Limitation Year must be held unallocated in a suspense account for the Limitation Year and allocated and reallocated to all the Participants in the Plan. The excess amounts must be used to reduce Employer contributions for the next Limitation Year (and succeeding Limitation years, as necessary) for all of the Participants in the Plan. Excess amounts may not be distributed to Participants or former Participants except as provided in Appendix A.B.1.

5. Excess amounts refunded under Appendix A.B.1 shall not be considered Pre-Tax Contributions for purposes of the annual Dollar Limit in section 402(g) of the Code and the ADP test in Article III, nor After-Tax Contributions for the purpose of the ACP test in Article III and shall not be considered as an eligible rollover distribution for purposes of Article VII.12.

6. Distributions of Participant After-Tax Contributions and Participant PreTax Contributions pursuant to this Appendix A.B.1 shall include investment gains and losses attributable thereon.

7. Determinations whether to distribute Participant After-Tax Contributions or Participant Pre-Tax Contributions, determinations of the investment altemative(s) from which the distribution is to be made, and computations of

attributable investment gains and losses shall be made by the Plan Administrator in its discretion pursuant to reasonable and uniform procedures.

APPENDIX B - TOP HEAVY PROVISIONS

A. Top-Heavy Preemption.

During any Plan Year in which this Plan is Top-Heavy, as defined in Appendix B.C below, the Plan shall be governed in accordance with this Appendix, which shall control over other provisions.

B. Definitions.

The following definitions apply to the terms used in this Appendix B:

(i) "applicable determination date" means the last day of [the later of the first Plan Year or] the preceding Plan Year;

(ii) "top-heavy ratio" means the ratio of (A) the value of the aggregate of the Accounts under the Plan for key employees to (B) the value of the aggregate of the Accounts under the Plan for all key employees and non-key employees;

(iii) "key employee" means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the applicable determination date was an officer of an Employer or an Affiliated Entity having Compensation greater than $130,000 (as adjusted under Section 416(i)(1) of the Code), a 5% owner (as defined in Section 416(i)(1)(B)(i) of the Code) of an Employer or an Affiliated Employer, or a 1% owner (as defined in Section 416(i)(1)(B)(ii) of the Code) of an Employer or an Affiliated Employer having Compensation greater than $150,000. The determination of who is a key employee shall be made in accordance with Section 416(i) of the Code and the applicable regulations and other guidance of general applicability issued thereunder;

(iv) "non-key employee" means any Employee who is not a key employee;

(v) "applicable Valuation Date" means the Valuation Date coincident with or immediately preceding the last day of the first Plan Year or the preceding Plan Year, whichever is applicable;

(vi) "required aggregation group" means any other qualified plan(s) of the Employer or an Affiliated Entity (including plans that terminated within the five-year period ending on the applicable determination date) in which there are members who are key employees or which enable(s) the Plan to meet the requirements of Section 401(a)(4) or 410 of the Code; and

(vii) "permissive aggregation group" means each plan in the required aggregation group and any other qualified plan(s) of the Employer or an Affiliated Entity in which all members are non-key employees, if the resulting aggregation group continues to meet the requirements of Sections 401(a)(4) and 410 of the Code.

C. Top-Heavy Determination.

For purposes of this Section, the Plan shall be "top-heavy" with respect to any Plan Year if as of the applicable determination date the top-heavy ratio exceeds 60 percent. The top-heavy ratio shall be determined as of the applicable Valuation Date in accordance with Sections 416(g)(3) and (4) of the Code and Article 5 of this Plan. The determination of whether the Plan is top-heavy is subject to the following:

(i) the Accounts under the Plan will be combined with the account balances or the present value of accrued benefits under each other plan in the required aggregation group and, in the Employer's discretion, may be combined with the account balances or the present value of accrued benefits under any other qualified plan in the permissive aggregation group;

(ii) the Accounts for an employee as of the applicable determination date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under
Section 416(g)(2) of the Code during the 1-year period (5-year period in the case of a distribution made for a reason other than separation from service, death, or disability) ending on the applicable determination date;

(iii) distributions under any plan that terminated within the 5-year period ending on the applicable determination date shall be taken into account if such plan contained key employees and, therefore, would have been part of the required aggregation group; and

(iv) if an individual has not performed services for the Employer or an Affiliated Entity at any time during the one-year period ending on the applicable determination date, such individual's accounts and the present value of his accrued benefits shall not be taken into account.

D. Special Benefit Provisions for Top-Heavy Plan Years.

For each Plan Year with respect to which the Plan is top-heavy, an additional Employer contribution shall be allocated on behalf of each Participant (and each Employee eligible to become a Participant) who is a non-key employee, and who has not separated from service as of the last day of the Plan Year, to the extent that the contributions made on his behalf under Article III.2 and Article III.10 for the Plan Year would otherwise be less than 3% of his compensation. However, if the greatest percentage of compensation contributed on behalf of a key employee under Article III.2 would be less than 3%, that lesser percentage shall be substituted for "3%" in the preceding sentence. Notwithstanding the foregoing provisions of this subparagraph, no minimum contribution shall be made under this Plan with respect to a Participant (or an Employee eligible to become a Participant) if the required minimum benefit under section 416(c)(1) of the Code is provided to him by any other qualified pension plan of the Employer or an Affiliated Employer. For purposes of this Appendix B.D, "compensation" shall have the meaning specified in Appendix A.A.4.

APPENDIX C - PARTICIPATING EMPLOYERS

The following entities are Employers under the Plan:

No additional entities.

APPENDIX D - SPECIAL RULES

Pursuant to Article XV.6, this Appendix sets out special rules relating to designated corporate transactions, or the merger or consolidation with, or transfer of assets or liabilities to or from, any other plan.

[LOGO]

CURTISS
WRIGHT

CURTISS-WRIGHT CORPORATION
4 BECKER FARM ROAD
ROSELAND, NEW JERSEY 07068

WWW.CURTISSWRIGHT.COM

[LOGO]

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LISTED   LISTED   --------
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 NYSE     NYSE      600
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CURTISS-WRIGHT CORPORATION ANNUAL REPORT 2003

[GRAPHIC]

An F/A-22 fighter jet slices
across the sky.

A nuclear submarine descends far below the ocean's surface.

An oil rig commands the horizon off the coast of Louisiana.

A rescue helicopter lands safely at a hospital in Seattle.

Curtiss-Wright is there.

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FINANCIAL HIGHLIGHTS

(In thousands, except per share data; unaudited)	2003	2002	2001
PERFORMANCE:			
Net Sales	$ 746,071	$ 513,278	$ 343,167
Earnings before interest, taxes, depreciation, amortization and pension income	119,435	85,030	107,069
Normalized earnings before interest, taxes, depreciation, amortization and pension income	119,435	80,874	68,470
Net earnings	52,268	45,136	62,880
Normalized net earnings(1)	52,268	41,642	40,633
Free cash flow(4)	50,266	28,875	58,260
Normalized free cash flow(4)	50,266	25,381	36,013
Diluted earnings per share(3)	2.50	2.16	3.07
Normalized diluted earnings per share(3)	2.50	2.00	1.99
Return on sales(2)	6.7%	9.1%	19.0%
Normalized return on sales(2)	6.7%	8.3%	12.3%
Return on capital(2)	7.6%	8.3%	18.3%
Normalized return on capital(2)	7.6%	7.6%	11.8%
New orders	743,115	478,197	326,475
Backlog at year-end	505,519	478,494	242,257
YEAR-END FINANCIAL POSITION			
Working capital	$ 238,640	$ 137,237	$ 149,231
Current ratio	2.8 to 1	1.8 to 1	3.0 to 1
Total assets	973,665	810,102	500,428
Stockholders' equity	478,881	411,228	349,954
Stockholders' equity per share(3)	23.04	20.02	17.37
OTHER YEAR-END DATA			
Depreciation and amortization	$ 31,327	$ 18,693	$ 14,734
Capital expenditures	33,329	34,954	19,354
Shares of stock outstanding at December 31(3)	20,785,856	20,544,586	20,149,450
Number of registered stockholders	7,768	8,034	9,898
Number of employees	4,655	4,244	2,625
DIVIDENDS PER SHARE	$ 0.32	$ 0.30	$ 0.27

(1) Earnings have been adjusted to exclude the effects of environmental insurance settlements, postretirement benefits and postemployment costs, recapitalization costs, gains on sale of real property, net nonrecurring benefit gain, facility consolidation costs, a release of indemnification reserve, and a net legal settlement.
(2) The performance ratios for all years have been shown on a pro-forma basis, excluding the results of the acquired companies in those respective years.
(3) Share and per share data for all years have been adjusted to reflect the 2-for-1 stock split paid on December 17, 2003.
(4) Free cash flow is defined as net earnings plus depreciation and amortization, less capital expenditures.

[BAR CHART]

NET SALES ($000S)
SALES PER EMPLOYEE ($)

NET SALES $746,071
SALES PER EMPLOYEE $168,654

[BAR CHART]

OPERATING INCOME ($000S)

REPORTED $89,330
NORMALIZED $89,330

[BAR CHART]

NET EARNINGS ($000S)

REPORTED $52,268
NORMALIZED $52,268

DIRECTORS

MARTIN R. BENANTE
Chairman of the Board of Directors

ADMIRAL JAMES B. BUSEY IV
Admiral, U.S. Navy (Ret.)
Director, Mitre Corporation
Director, Texas Instruments, Inc.
Former President and Chief Executive Officer of AFCEA International Aviation Safety and Security Consultant

S. MARCE FULLER
President and Chief Executive Officer of Mirant Corporation, Inc.
(formerly known as Southern Energy, Inc.)
Director, Earthlink, Inc.

DAVID LASKY
Former Chairman and Chief Executive Officer of Curtiss-Wright Corporation

CARL G. MILLER
Former Chief Financial Officer of TRW, Inc.

WILLIAM B. MITCHELL
Director, Mitre Corporation
Former Vice-Chairman of Texas Instruments Inc.

JOHN R. MYERS
Former Chairman and Chief Executive Officer of Tru-Circle Corporation Management Consultant
Former Chairman of the Board of Garrett Aviation Services

DR. WILLIAM W. SIHLER
Ronald E. Trzcinski Professor of Business Administration Darden Graduate School of Business Administration University of Virginia

J. MCLAIN STEWART
Director, McKinsey & Co. Management Consultants

OFFICERS

MARTIN R. BENANTE
Chairman and Chief Executive Officer

GEORGE J. YOHRLING
Executive Vice President

EDWARD BLOOM
Vice President

GLENN E. TYNAN
Vice President - Finance, Treasurer and
Chief Financial Officer

MICHAEL J. DENTON
Vice President, Corporate Secretary
and General Counsel

KEVIN M. MCCLURG
Corporate Controller

Design: DeSantis Breindel/NYC
Selected Photography: Philipp Scholz Rittermann, Jan Press

For 75 years, our products have been a critical part of the modern world. We provide essential components to several of the largest, most vital industries in the world, including defense, aerospace and energy. Our highly engineered value-added products are world renowned for their advanced technology and unsurpassed reliability.

Whenever a jet lands safely on an aircraft carrier... a bomber door opens with split-second reliability... a high-speed train smoothly executes a hairpin turn along the side of a mountain...it's a safe bet that Curtiss-Wright is there.

[GRAPHIC]

An aircraft carrier
in the Pacific Ocean.

[GRAPHIC]

We're there.

ON EVERY NUCLEAR-POWERED AIRCRAFT CARRIER COMMISSIONED BY THE US NAVY, CURTISS-WRIGHT'S PUMPS, VALVES AND GENERATOR SYSTEMS ENSURE THE RELIABILITY AND SAFETY OF THE PROPULSION SYSTEM. LANDING ON THE RUNWAY OF A 1,000-FOOT AIRCRAFT CARRIER, AN F-14 IS GUIDED TO SAFETY BY WING FLAPS CONTROLLED BY CURTISS-WRIGHT'S ACTUATION SYSTEM. AS THE AIRCRAFT IS HARNESSED ON THE RUNWAY AND LAUNCHED BACK INTO THE SKY, THE INTEGRITY OF THE CATAPULT SYSTEM IS ENSURED BY CURTISS-WRIGHT'S METAL TREATMENT SERVICES. IN MISSION-CRITICAL DEFENSE APPLICATIONS FOR SEA, AIR AND LAND, CURTISS-WRIGHT IS THERE.

[GRAPHIC]

WEAPONS BAY DOOR ACTUATION SYSTEMS

The F/A-22 Raptor is the US Air Force's premier next-generation air fighter. The F/A-22 was developed to counter the increased sophistication and threat of hostile air forces and integrated air systems in use around the world. The F/A-22 has unprecedented fighter and attack capabilities with its balanced design of stealth, supercruise speed and extreme agility, along with advanced integrated avionics and a pilot-friendly cockpit.

The F/A-22 aircraft gains much of its stealth capability from its smooth, streamlined shape and by storing its weapons internally rather than on external wing pods. A key component of this aircraft is the weapons bay doors, which must open in order to deploy a missile. While the doors are opening and closing, the aircraft's stealth effect is compromised. Curtiss-Wright's actuation systems reliably open and close the main and side weapons bay doors in the blink of an eye, thereby maximizing mission effectiveness and pilot safety. Curtiss-Wright also supplies the entire leading-edge slat actuation and drive systems for the F/A-22 program.

[LINE CHART]

Industry Revenue

DEFENSE

Market Overview: Defense

Within the defense market, Curtiss-Wright provides the most technologically advanced flow control and motion control products, and metal treatment services to naval, aerospace and ground defense programs. Our products manage the flow of liquids on a nuclear submarine and control the lift, flight and landing of aircraft. Our metal treatment services enhance the performance of critical jet engine and aircraft structural components.

Our world-class reputation is built on engineering excellence, as demonstrated by the technical innovations we develop to solve customer needs, and our precision manufacturing that ensures the superior performance of our products. As a result, we are the sole-source supplier of hermetically sealed valves, coolant pumps, motors and control systems for the US Navy nuclear submarine and aircraft carrier programs. We are also the designer and sole-source supplier of the largest, quietest and most power-dense generators that power the Navy's latest classes of nuclear submarines and aircraft carriers. Curtiss-Wright is extending these motor and generator technologies to other critical applications, including advanced aircraft arresting gear (AAG) and electro-magnetic aircraft launching systems (EMALS) that capture and relaunch aircraft on the next generation of aircraft carriers.

In military aerospace, Curtiss-Wright is a leading supplier of flight controls, position sensors, control electronics, fire detection and power conversion systems. We also provide sophisticated aiming, stabilization and suspension systems for ground combat vehicles.

The defense market provides significant growth opportunities for application of Curtiss-Wright technologies, products and services, including new construction of submarines and aircraft carriers, retrofits for aircraft refueling systems, development programs for the F/A-22 and Joint Strike Fighter, and various ground combat vehicle programs.

[GRAPHIC]

A tank in the Middle East.

[GRAPHIC]

We're there.

AS A MILITARY TANK CROSSES THE LANDSCAPE, CURTISS-WRIGHT'S TARGET ACQUISITION, AIMING AND SITE SELECTION COMPONENTS KEEP ITS WEAPONS ON TARGET AND STABILIZED REGARDLESS OF THE TERRAIN OR SPEED. CURTISS-WRIGHT HAS PROVIDED THOUSANDS OF MISSION-CRITICAL, HIGH-PERFORMANCE ELECTRONIC SYSTEMS AND SUBSYSTEMS FOR THE BRADLEY FIGHTING VEHICLE, ABRAMS TANK AND OTHER ARMORED VEHICLES. OPERATING UNDER THE MOST DEMANDING CONDITIONS, CURTISS-WRIGHT'S EMBEDDED ELECTRONIC SYSTEMS MAXIMIZE THE SAFETY AND SUPERIORITY OF COMBAT AND TACTICAL VEHICLES, BOTH IN THE AIR AND ON THE GROUND. WHETHER DEVELOPING TECHNOLOGIES FOR TOMORROW'S FUTURE COMBAT SYSTEMS OR SUPPORTING OUR ARMED FORCES' LEGACY PROGRAMS, CURTISS-WRIGHT IS THERE.

[GRAPHIC]

EMBEDDED COMPUTER SYSTEMS

The US Air Force's Global Hawk is a high-altitude, long-endurance unmanned aerial reconnaissance aircraft designed to provide military field commanders with high-resolution photographs of large geographic areas. Advanced technology sensors, with a range greater than halfway around the world, and extended flight capabilities enable the Global Hawk to provide the military with essential intelligence without risking lives. Considered the future of air defense, the Global Hawk is one of a number of next-generation unmanned aerial vehicles (UAVs) expected to significantly increase the effectiveness and efficiency of combat operations. Its ability to quickly gather and transmit real-time surveillance information dramatically improves the mission safety of military personnel in the air and on the ground.

The superior performance of the Global Hawk system is achieved through its high-integrity, embedded computer systems. The Global Hawk's flight control, sensors, mission operations and navigation are managed by two Curtiss-Wright Integrated Main Mission Management Computers that act essentially as the brain of the aircraft. The speed, reliability and accuracy of the computers allow the Global Hawk to fly for over 30 hours at altitudes greater than 50,000 feet and land on the centerline of its destination runway, all without human intervention. The advanced technological capabilities of the Global Hawk system will significantly enhance the US military's ability to succeed in all types of operations, from sensitive peace-keeping missions to full-scale combat.

[LINE CHART]

Industry Revenue

DEFENSE ELECTRONICS

Market Overview: Defense Electronics

As the next generation of military defense equipment is developed, electronic systems will enhance the strategic mobility of military operations. Conventional combat vehicles are being systematically replaced with lighter, more maneuverable models through programs such as the US Army's Future Combat System (FCS). A highly integrated structure of manned and unmanned air and ground vehicles, FCS will provide an interlinked, wireless network to create a unified combat force. This will enable rapid communication and decisive action across the full spectrum of military operations.

Curtiss-Wright specializes in the design and manufacture of high-performance, embedded electronic subsystems, employing state-of-the-art real-time technology to perform mission-critical operations and communications functions. Our products enable advanced processing in all facets of the military - from upgrading the performance of older platforms to advancing military reconnaissance infrastructure worldwide. Applications include ground vehicles, surface and subsurface naval platforms, tactical and strategic aircraft, and space vehicles and platforms.

Over the next decade, there will be ample opportunities to participate in the growth of the worldwide defense electronics market. Projected to be among the fastest-growing portions of the US defense budget, the electronics market represents just over 20 percent of the budget for 2004. Vehicle electronics (Vetronics) is expected to grow from $318 million in 2002 to over $1.9 billion over the next five years, with 70 percent coming from new programs such as FCS.

[GRAPHIC]

A commercial jet high above North America.

[GRAPHIC]

We're there.

WHENEVER A COMMERCIAL AIRPLANE TAKES OFF AND SAFELY LANDS AT ITS DESTINATION, CURTISS-WRIGHT PROVIDES THE INNOVATIVE TECHNOLOGIES, HIGH-PERFORMANCE PRODUCTS AND SYSTEMS THAT OPERATE THE AIRCRAFT FLIGHT CONTROL SURFACES AND COMMUNICATE VITAL DATA ON FLIGHT CONDITIONS WITHIN AND SURROUNDING THE AIRCRAFT. FROM PASSENGER JETS TO RESCUE HELICOPTERS, CURTISS-WRIGHT IS THERE SUPPORTING THE FULL SPECTRUM OF AVIATION PLATFORMS.

[GRAPHIC]

LASER PEENING TECHNOLOGY

A laser beam impacts the surface of a metal part with the instantaneous power output of a nuclear power plant. The shock wave created by the laser beam compresses the metal's surface, strengthening its resistance to cracking and corrosion. This is the essence of laser peening technology, which Curtiss-Wright recently commercialized with great success.

Hundreds of commercial aircraft are now flying with critical parts of their jet engines laser peened to improve their durability and reliability. Laser peening creates a layer of compressive strength in the areas of the part that are most vulnerable to failure. Estimated maintenance savings for these aircraft are significant. As new aircraft are designed, our laser peening technology will enable engineers to design parts that are safer, lighter and perform more efficiently and economically.

In addition to the current applications on jet engine components, future uses for laser peening are projected for components used in aerospace structures, nuclear power generation, hazardous waste disposal, high-performance race cars, medical implants, and oil and gas drilling. Curtiss-Wright developed its laser peening technology in partnership with Lawrence Livermore National Laboratory and retains the exclusive worldwide rights to the intellectual property necessary for its use on commercial components.

[LINE CHART]

Industry Revenue

COMMERCIAL AEROSPACE

Market Overview: Commercial Aerospace

Every day thousands of commercial airliners around the world safely take off and land with the help of Curtiss-Wright. Our flight control actuation devices, which extend and retract a wing's leading-edge slats and trailing-edge flaps, allow an airliner to take off and land at lower speeds, thereby increasing passenger safety and reducing runway lengths. Our metal treatment services include precision shaping of a wing's aero-dynamic curvature, coatings for protecting structural fasteners, and shot peening to strengthen critical components - all of which reduce costs for manufacturing, maintenance and repairs.

The commercial aerospace market has experienced a severe downturn over the past three years. Geopolitical conflict, public health epidemics and economic recession have all negatively impacted the global airline industry. Improvements in the economy, already witnessed in the United States, and a greater demand for capacity globally are anticipated to positively impact air travel and lead to an industry recovery.

Curtiss-Wright continues to value its long-term commitment to the commercial aerospace market. Our advanced technologies, precision manufacturing capabilities, low-cost structure and long-standing customer relationships have been and will remain a critical element of our success in this market. During the past several years, Curtiss-Wright has aggressively managed its cost base and is well positioned to benefit from the anticipated upturn in new commercial aircraft development programs.

[GRAPHIC]

A nuclear power plant in Europe.

[GRAPHIC]

We're there.

EVERY DAY, THE TELEVISIONS, REFRIGERATORS, COMPUTERS, TOASTERS, LAMPS AND MANY OTHER APPLIANCES IN MILLIONS OF HOMES ARE POWERED SAFELY USING ELECTRICITY PRODUCED BY NUCLEAR POWER PLANTS. CURTISS-WRIGHT PROVIDES HIGHLY ENGINEERED VALVES, PUMPS, INSTRUMENTATION AND SOFTWARE SYSTEMS TO ENSURE THAT NUCLEAR POWER PLANTS OPERATE AT THE ULTIMATE LEVEL OF SAFETY, EFFICIENCY AND ENVIRONMENTAL COMPLIANCE. FROM DAILY PLANT OPERATION TO PLANT UPGRADES AND NEW CONSTRUCTION, CURTISS-WRIGHT IS THERE.

[GRAPHIC]

ADVANCED PUMP TECHNOLOGY

As demand increases for locally produced, environmentally friendly energy sources, the recognition of nuclear power as a clean, economic and independent energy source is attracting new development. Curtiss-Wright is at the forefront in developing advanced products for the nuclear power industry, including pumps, motors, valves, control rod drive mechanisms, and instrumentation and controls for existing and next-generation commercial nuclear power plants. Our technologies provide solutions to obsolescence issues, ensuring continued high levels of plant safety and efficiency.

Curtiss-Wright is a leading supplier of reactor coolant pumps and motors for the majority of the commercial nuclear pressurized water reactors worldwide. Curtiss-Wright first introduced these pumps over 50 years ago and continues to be a world leader in reactor coolant pump technology, as well as a major supplier of other critical components to the commercial nuclear power industry.

Curtiss-Wright's broad range of core competencies in engineering, analysis, manufacturing and testing are being applied in the commercial nuclear power industry to achieve improvements in operation and maintenance processes, as well as to address the emerging focus of the industry to extend the life and increase power output of existing plants. Curtiss-Wright also plays a key role in maintaining the supply of critical components to the industry that are no longer available from original equipment manufacturers.

[LINE CHART]

Industry Revenue

NUCLEAR POWER

Market Overview: Nuclear Power

Today, nuclear power plants - the second largest source of electricity in the United States - supply approximately 20 percent of the nation's electricity needs. Nuclear power plants provide the lowest cost energy source. They are environmentally friendly and minimally impact water, land, habitat, species and air resources. The safety of people and the environment is the essence of Curtiss-Wright's advanced technologies for the nuclear power industry.

Curtiss-Wright's valves, pumps and actuators control the flow of liquids, such as water used in the cooling systems of nuclear reactors. Curtiss-Wright is the leading source of hermetically sealed valves that meet the US Nuclear Regulatory Commission's technical specifications for use in nuclear reactors. Curtiss-Wright's Digital Process Control Technology is helping nuclear power plants address growing concerns over obsolete analog instrumentation.

Because of its attractiveness as an energy source, nuclear power is projected to represent a growing share of the developing world's electricity consumption over the next 20 years. License renewal is expected for a majority of the 103 US nuclear power plants and new plant construction is expected to increase nuclear capacity globally. We are committed to providing advanced technologies and innovative solutions to meet the unique nuclear regulatory requirements of operating plants, as well as the construction of new power plants internationally.

[GRAPHIC]

An offshore drilling platform
in the North Sea.

[GRAPHIC]

We're there.

AS EXPLORATION FOR OIL AND GAS EXPANDS INTO MORE REMOTE LOCATIONS AND DEEPER WATERS, CURTISS-WRIGHT DESIGNS TECHNOLOGICALLY ADVANCED VALVES TO MEET THE CHALLENGES OF SUCH HIGH-PRESSURE, CORROSIVE ENVIRONMENTS. OUR ENGINEERING EXPERTISE AND PRECISION PROCESSING PRODUCE VALVES WITH THE TOLERANCE TO PERFORM IN EXTREMELY HARSH CONDITIONS SUCH AS THE NORTH ATLANTIC, BERING SEA AND THE EQUATORIAL WATERS OFF THE AFRICAN COAST. IN EXPLORATION, PRODUCTION AND PROCESSING OF GLOBAL ENERGY RESOURCES, CURTISS-WRIGHT IS THERE.

[GRAPHIC]

DELTAGUARD(R) COKE-DRUM UNHEADING DEVICE

One primary method of refining crude oil into gasoline, jet fuel and diesel requires a process known as delayed coking. Delayed coking is a thermal cracking process achieved through heating crude oil to an extremely high temperature and pumping it into large pressurized drums. This process breaks the heavy oil into lighter, more valuable fluids which are vaporized and removed, while the solid, unconverted coal-like byproduct called coke remains. Unheading, or opening the drum to remove the coke, exposes the drum contents to the atmosphere. The coke-drum unheading process has the potential to be one of the most dangerous refinery operations and has been the cause of severe accidents.

Curtiss-Wright's advanced technology solution, the DeltaGuard(R) coke-drum unheading device, provides the first fully automated, inherently safe system and is quickly becoming the global industry standard. By creating a completely sealed connection from the bottom of the coke-drum down through the discharge chute, the DeltaGuard(R) completely isolates personnel and equipment from exposure to hot coke, water and steam. In addition to safety, the innovative design provides significant economic advantages by minimizing operation and maintenance costs, as well as enabling refiners to process less expensive grades of crude oil.

Curtiss-Wright installed the first DeltaGuard(R) at the Chevron Salt Lake City facility in September 2001 and has since installed units on all 14 Chevron coke-drums in the United States, including the El Segundo Refinery where the above photo was taken. Since its recent introduction, the DeltaGuard(R) has captured in excess of 10% of the total unheading device market in the United States. Curtiss-Wright is also currently manufacturing unheading devices for numerous international refineries.

[LINE CHART]

Industry Revenue

OIL + GAS

Market Overview: Oil and Gas

World energy consumption is projected to reach the equivalent of nearly 300 million barrels of oil per day by 2020, an increase of approximately 40 percent. Oil and gas will continue to be the primary resource, accounting for 60 percent of the energy supply worldwide. To meet increasing demand, the oil and gas industry is developing reserves in increasingly harsh environments, such as deep water, and increasing supply from sources such as liquid petroleum gas (LPG). Offshore floating platforms, subsea systems and LPG facilities all operate under extreme conditions that require highly engineered products to optimize performance and mitigate failure from corrosion or pressure.

Curtiss-Wright is one of the world's leading manufacturers of pressure-relief valves used to prevent over-pressurization of vessels, pipelines and other critical industrial equipment. Our gate, ball and triple offset butterfly valves continue to provide the highest performance for severe service applications. We continuously bring new products to market, such as our advanced material modulating pilot-operated relief valve and subsea multiphase pump. And our iPRISM(TM) software is revolutionizing plant management, documentation and regulatory compliance.

Capital spending by the process industry is projected to increase in the next two to five years to meet increasing demand and environmental regulations. Primarily, expenditures will be made to retrofit existing facilities with improved equipment, materials upgrades and technologies to increase plant flexibility, reliability, production and profitability. Curtiss-Wright's extensive line of highly engineered, technologically advanced valves and related products are well positioned to support these future requirements of the oil and gas and related industries.

[PHOTO]

Martin R. Benante
Chairman and Chief Executive Officer

To Our Shareholders:

On December 17, 2003, Curtiss-Wright and the world celebrated the 100th Anniversary of the first flight at Kitty Hawk, North Carolina -- a crowning tribute to two of our founding fathers, Orville and Wilbur Wright.

2004 marks another major milestone for Curtiss-Wright Corporation as we proudly celebrate our 75th Anniversary. The pioneering spirit of three great inventors gave birth to the aviation industry. Aside from their historic first flight, the Wright brothers and Glenn Curtiss developed aircraft capable of flying around the world. Their legacy companies, Wright Aeronautical and The Curtiss Aeroplane and Motor Company, were merged to form Curtiss-Wright Corporation on July 5, 1929. On August 22, 1929, Curtiss-Wright Corporation was listed on the New York Stock Exchange where it still trades today.

Curtiss-Wright's enduring success is due to an unwavering commitment to innovation, engineering excellence and technological leadership. These principles guided the Wright brothers to achieve the first flight in 1903 and today inspire us to achieve new firsts in flow control and motion control technologies, and metal treatment services. As we celebrate our 75th Anniversary, our goals remain steadfast:

o Focus on advanced technology and high-performance platforms;

o Uphold our world-class reputation for engineering excellence and pioneering products; and

o Maintain a solid capital base while executing a disciplined growth strategy.

Strong Financial Performance

In 2003, we achieved record sales and profitability through a mix of organic growth and successful acquisition integration. Our revenues of $746 million in 2003 increased 45% over 2002, and our operating income in 2003 totaled $89 million, an increase of 42% before pension income. Our net earnings of $52 million, or $2.50 per diluted share, increased 26% over 2002 on a normalized basis. Our strong performance is due to our acquisitions achieving better-than-expected results as well as cross-marketing of our products and new technologies generating growth in each of the markets in which we compete.

Our backlog at December 31, 2003 was $506 million compared with $479 million at December 31, 2002. New orders received in 2003 totaled $743 million, which represents a 55% increase over 2002.

In support of our significant growth, we strengthened and expanded our capital structure in September with a private placement of $200 million of senior notes. This long-term debt facility provided liquidity and secured attractive long-term fixed interest rates at historically low levels.

As a result of our market leadership and strong performance, Curtiss-Wright continues to receive accolades for industry leadership. In 2003, Defense News named Curtiss-Wright to its "Fast Track 50" list of the fastest-growing defense firms in the world, with Curtiss-Wright in the top 15 for both one-year and three-year annual growth.

Strategic, Diversified Markets

Our leadership across a broad platform of complementary, strategic niche markets has produced the balance that has allowed us to continue achieving profitable growth during a weak economic cycle and a period of geopolitical uncertainty. While the commercial aerospace market remains soft, the ramp-up of military program initiatives has resulted in strong growth in our defense businesses, including aerospace, naval and land-based programs. In addition, we have built a leading global position in the emerging defense electronics market. Electronics is expected to represent one of the fastest-growing sectors of defense spending as integrated combat systems and unmanned technologies are developed.

We believe strong military spending will continue to fuel our defense businesses over the next two years, at which time we believe a stronger US economy will stimulate spending in other sectors in which we hold strong market positions. Primarily, our long-standing presence in commercial aerospace is well positioned to benefit from increases in consumer travel. During the downturn, Curtiss-Wright has continued to develop innovative technologies, such as laser peening,

while aggressively managing its cost base. As a result, we will continue to be competitive on new commercial aircraft development programs as well as upgrades and repair and overhaul services.

In addition, each of our business segments continues to contribute important technological advances that have driven product expansion into a multitude of energy and industrial markets. Through our flow control segment, we have experienced solid growth in energy markets, such as nuclear power and in oil and gas, by providing valuable new products in valve technology and software systems. Recent acquisitions of electronics technology by our motion control segment will provide new applications for medical imaging and digital equipment. And, in metal treatment services, our advances in laser peening technology are enabling us to explore new opportunities in energy, environmental and medical applications. Achieving this growth in a sluggish economy reflects our skill in creating customer solutions and developing new markets for our products.

Continued Success with Acquisitions

Our focus on technology and innovation is greatly enhanced by our successful acquisition strategy. In 2003, we made six acquisitions that have provided us with new products and technological capabilities, primarily within the defense and commercial electronics sectors, and expanded our global reach and market penetration.

We have successfully increased our position in the defense electronics market and are a global market leader in the embedded systems arena. We anticipate that this market will experience extraordinary growth over the next few years as the next generation of military equipment develops. In 2003, we acquired Collins Technologies, Peritek, Systran, Novatronics and, in early 2004, Dy 4, each of which enhances our ability to offer our customers greater electronic subsystem solutions for military aircraft and ground vehicles. These acquisitions complement our existing technologies in flight and engine control applications and provide us with a core competence in defense electronics upon which we expect to generate significant organic growth. Additionally, we significantly expanded our technological capabilities and market penetration in metal treatment services with the acquisitions of E/M Coatings, a leading provider of specialty coatings to the aerospace, automotive, electronics, industrial, medical, military and semiconductor markets, and AMP, which supplies commercial shot peening services primarily to the automotive market. These acquisitions improved our position in metallurgical technologies in the US and are complementary to our existing portfolio of metal treatment services.

2003 Acquisitions

[GRAPHIC]

Collins Technologies

Specializes in the manufacture of Linear Variable Displacement Transducers (LVDT's) for aerospace flight and engine control applications, and industrial markets.

Peritek

Leading manufacturer of video and graphic display boards for the embedded computing industry, including the aviation, defense and medical markets, as well as products for bomb detection and industrial automation.

Systran

Key supplier of high-performance data communications products for real-time computing systems, primarily for the aerospace, defense, industrial automation and medical imaging markets.

Novatronics

Designer and manufacturer of electric motors and position sensors (linear and rotary) for the commercial aerospace, military aerospace and industrial markets.

E/M Coatings

Premier US applicator of solid film lubricant coatings for aerospace, automotive and specialty industrial applications.

AMP

Supplier of commercial shot peening services to the Detroit automotive market.

Delivering Shareholder Value

2003 represented another year of successful firsts and growth for our company. However, we continue to evaluate our performance

primarily on our ability to enhance shareholder value. As we grow, we must not only continue to support our current customers and markets, but also successfully integrate new members into the Curtiss-Wright family and expand into new markets. In doing so, Curtiss-Wright employees continue to set and achieve high standards of productivity, quality and customer service.

Our significant revenue growth is mirrored by solid income and cash flow generation. Our confidence in our ability to sustain this momentum enabled us to approve a 20% dividend increase in November 2003, returning a portion of our strong profitability to our shareholders. Additionally, our strong share price performance provided the impetus for a 2-for-1 stock split which was completed in December 2003. We believe that with a lower share price resulting from the stock split, Curtiss-Wright will be a more attractive investment to a wider audience of investors. Additionally, as our company continues to successfully grow, we are pleased to provide a greater level of liquidity in the stock to our shareholders.

In June 2003, we elected Carl G. Miller, a veteran of the aerospace and defense industry, to serve on our Board of Directors and as a member of our audit and finance committees. Mr. Miller, who recently retired from TRW, brings over 30 years of financial management and industry leadership, making him an invaluable resource to Curtiss-Wright. We welcome Mr. Miller's contributions in the years to come.

As we strive to achieve superior shareholder value with new technologies and in new markets, our core competence remains in advanced engineering and precision processing. This steadfast focus, combined with the ingenuity of our employees, enables us to maintain a reputation for world-class performance in the markets in which we compete. We are particularly proud to employ many industry veterans who are committed to efficient and effective responsiveness to ever-changing customer needs and market trends. Because of the creativity, energy, discipline and dedication of so many people who work for Curtiss-Wright, we are privileged to enjoy long-term relationships with our customers.

Building on a Legacy

Committed, visionary employees and long-term relationships with customers have been a hallmark of Curtiss-Wright for three-quarters of a century. It is therefore fitting that our 75th Anniversary coincides with the 100th Anniversary of the Wright brothers' first flight. During the past year, we proudly celebrated our heritage in festivities that were broadcast around the world. As part of our commitment to preserve the legacy of Curtiss-Wright, we contributed financing for the development of a replica of the original Curtiss-Wright Flyer, as well as numerous events culminating with the Centennial Celebration on December 17, 2003, at Kitty Hawk, NC. We donated a complete inventory of aeronautical engine blueprints to the Smithsonian's National Air and Space Museum in Washington, DC and Wright State University in Dayton, OH. Additionally, Curtiss-Wright endowed scholarships at three leading universities for students pursuing careers in aeronautical engineering in honor of our founding fathers.

We also visited the New York Stock Exchange in December to ring the closing bell in honor of Curtiss-Wright's contributions to aviation. I was joined by Curtiss-Wright's senior management and two US Air Force Reserve officers. These officers recently returned from duty in Iraq flying C-130 cargo aircraft and are two of the thousands of brave and proud soldiers, sailors, airmen and marines who depend on the technology and reliability of Curtiss-Wright products. We are thankful for the commitment and sacrifice that all military personnel have made for our country and are privileged to play a part in supporting their efforts.

We are proud to be celebrating our 75th Anniversary at Curtiss-Wright Corporation in concert with the Centennial of Flight, and we want to thank our exceptional employees who made this milestone possible. As a career employee of 25 years, I have truly enjoyed being a part of the Curtiss-Wright legacy and eagerly anticipate the next milestone achievement.

/s/ Martin R. Benante

Martin R. Benante
Chairman and Chief Executive Officer

[PHOTO]

Board of Directors

1. DAVID LASKY
2. J. MCLAIN STEWART
3. JOHN R. MYERS
4. CARL G. MILLER
5. MARTIN R. BENANTE
6. S. MARCE FULLER
7. WILLIAM B. MITCHELL
8. DR. WILLIAM W. SIHLER
9. ADMIRAL JAMES B. BUSEY IV (RET.)

CURTISS-WRIGHT 2003 ACQUISITIONS

Motion Control

Novatronics designs and manufactures electric motors and position sensors (both linear and rotary) for the commercial aerospace, military aerospace, and industrial markets. Novatronics has operating facilities located in Stratford, Ontario, Canada, and Plainview, New York.

Systran Corporation is a leading supplier of highly specialized, high performance data communications products for real-time systems, primarily for the aerospace, defense, industrial automation, and medical imaging markets. Key applications include simulation, process control, advanced digital signal processing, data acquisition, image processing, and test and measurement. Systran's operations are located in Dayton, Ohio.

Peritek Corporation is a leading supplier of video and graphic display boards for the embedded computing industry in a variety of markets including aviation, defense, and medical. Peritek supplies products for bomb detection, industrial automation, and medical imaging applications. Peritek's operations are located in Oakland, California.

Collins Technologies designs and manufactures Linear Variable Displacement Transducers ("LVDTs"), primarily for aerospace flight and engine control applications. Industrial LVDTs are used mostly in industrial automation and test applications. Collins' operations are located in Long Beach, California.

Metal Treatment

E/M Engineered Coatings Solutions applies over 1,100 different coatings to impart lubrication, corrosion resistance, and certain cosmetic and dielectric properties to selected components. The Corporation acquired six E/M Coatings facilities operating in Chicago, IL; Detroit, MI; Minneapolis, MN; Hartford, CT; and North Hollywood and Chatsworth, CA. Combined, these facilities are one of the leading providers of solid film lubricant coatings in the United States.

Advanced Material Process is a supplier of commercial shot peening services primarily to the automotive market and is located in Detroit, Michigan.

AT A GLANCE

Curtiss-Wright operates across three business segments that provide diversification and balance. We provide highly engineered products and services to a number of global markets and pride ourselves in the strong customer relationships that have been developed over the years.

Motion Control

PRODUCTS AND SERVICES

Secondary flight control actuation systems and electromechanical trim actuators
Weapons bay door actuation systems
Aircraft cargo door and utility actuation systems Integrated mission management and flight control computers Fractional horsepower (HP) specialty motors Force transducers
Fire detection and suppression control systems Digital electromechanical aiming and stabilization systems Hydropneumatic suspension systems

Electromechanical tilting systems for high-speed trains Fire control, sight head, and environmental control processors for military ground vehicles
Position sensors
Power conversion products
Control electronics
High performance data communication products Component overhaul and logistics support services Perimeter Intrusion Detection Equipment

MAJOR MARKETS

Commercial jet transports
Business/regional jets
Military transport and fighter aircraft Ground defense vehicles
Unmanned aerial vehicles
Automated industrial equipment
High-speed trains
Marine propulsion
Space programs
Security systems
Naval ships
Homeland security
Air, sea, and ground simulation

Flow Control

PRODUCTS AND SERVICES

Military and commercial nuclear/non-nuclear valves
(butterfly, globe, gate, control, safety, relief, solenoid)
Military and commercial nuclear/non-nuclear pumps, motors, generators, instrumentation and controls Military aircraft carrier launch and retrieval equipment Steam generator control equipment
Reactor plant equipment and controls
Advanced hydraulic systems
Air driven fluid pumps
Engineering, inspection and testing services

MAJOR MARKETS

Navy programs (nuclear and non-nuclear) Power generation (nuclear and fossil)
Processing industry
Oil and gas refining
Petrochemical/chemical
Natural gas production and transmission Pharmaceutical

Pulp and paper
Automotive/truck

Metal Treatment

PRODUCTS AND SERVICES

Shot peening
Shot peen forming
Laser peening
Heat treating
Specialty coatings
Reed valve manufacturing
Wet finishing

MAJOR MARKETS

Commercial jet transports
Business/regional jets
Automotive
Metalworking
Oil and gas exploration
Power generation
Agricultural equipment
Construction and mining equipment

QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

(In thousands, except per share data)	First	Second	Third	Fourth
2003				
Net sales	$ 179,933	$ 182,857	$ 189,618	$ 193,663
Gross profit	59,032	56,682	57,017	68,187
Net earnings	14,122	10,873	12,519	14,754
Earnings per share:				
Basic earnings per share	$ .69	$ .53	$ .61	$ .71
Diluted earnings per share	$ .68	$ .52	$ .60	$ .70
Dividends per share	$ .075	$ .075	$ .075	$ .09
2002				
Net sales	$ 97,787	$ 121,777	$ 119,641	$ 174,073
Gross profit	36,155	43,699	41,199	55,033
Net earnings	9,316	10,816	11,312	13,692
Earnings per share:				
Basic earnings per share	$ .46	$ .53	$ .55	$ .67
Diluted earnings per share	$ .45	$ .52	$ .54	$ .65
Dividends per share	$ .075	$ .075	$ .075	$ .075

All per share amounts have been adjusted to reflect the Corporation's 2-for-1 stock split during 2003.

See notes to consolidated financial statements for additional financial information.

CONSOLIDATED SELECTED FINANCIAL DATA

(In thousands, except per share data)	2003	2002	2001	2000	1999
Net sales	$746,071	$513,278	$343,167	$329,575	$293,263
Net earnings	52,268	45,136	62,880	41,074	39,045
Total assets	973,665	810,102	500,428	409,416	387,126
Long-term debt	224,151	119,041	21,361	24,730	34,171
Basic earnings per share	$ 2.53	$ 2.21	$ 3.12	$ 2.05	$ 1.93
Diluted earnings per share	$ 2.50	$ 2.16	$ 3.07	$ 2.02	$ 1.91
Cash dividends per share	$ 0.32	$ 0.30	$ 0.27	$ 0.26	$ 0.26

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

All per share amounts have been adjusted to reflect the Corporation's 2-for-1 stock split during 2003.

See notes to consolidated financial statements for additional financial information.

FORWARD-LOOKING STATEMENTS

This Annual Report contains not only historical information but also forward-looking statements regarding expectations for future company performance. Forward-looking statements involve risk and uncertainty. Please refer to the Corporation's 2003 Annual Report on Form 10-K for a discussion relating to forward-looking statements contained in this Annual Report and risk factors that could cause future results to differ from current expectations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

Curtiss-Wright Corporation is a multinational provider of highly engineered products and services. The management strategy is to position the Corporation as a market leader across a diversified array of niche markets built upon engineering and technological leadership, low-cost manufacturing, and strong relationships with our customers. The Corporation provides products and services to a number of global markets, such as defense, commercial aerospace, nuclear power, oil and gas, automotive, and general industrial. The Corporation has achieved balanced growth through the successful application of its core competencies in engineering and precision manufacturing, adapting these competencies to new markets through internal product development and a disciplined program of strategic acquisitions. Approximately 50% of revenues are generated from defense-related markets.

Company Organization

The Corporation manages and evaluates its operations based on the products and services it offers and the different markets it serves. Based on this approach, the Corporation has three principal operating segments: Flow Control, Motion Control, and Metal Treatment. The Flow Control segment primarily designs, manufactures, distributes, and services a broad range of highly engineered flow-control products for severe-service military and commercial applications. The Motion Control segment primarily designs, develops, and manufactures high-performance mechanical systems, drive systems, and electronic controls and sensors for the aerospace and defense industries. Metal Treatment provides approximately 50 metallurgical services, principally "shot peening" and "heat treating." This segment provides these services for a broad spectrum of customers in various industries, including aerospace, automotive, construction equipment, oil and gas, petrochemical, and metal working. For further information on our products and services and the major markets served by our three segments, see page 29 of this Annual Report.

The Corporation records sales and related profits on production and service type contracts as units are shipped or as services are rendered. This method is used in our Metal Treatment segment and in some of the business units within the Motion Control and Flow Control segments, which serve commercial markets. For certain contracts that require performance over an extended period before deliveries begin, sales and estimated profits are recorded by applying the percentage-of-completion method of accounting.

Results of Operations

FISCAL YEAR ENDED DECEMBER 31, 2003 COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 2002

Curtiss-Wright Corporation recorded consolidated net sales of $746.1 million and net earnings of $52.3 million, or $2.50 per diluted share, for the year ended December 31, 2003. Sales for the current year increased 45% over 2002 sales of $513.3 million. Net earnings for 2003 increased 16% from 2002 net earnings of $45.1 million, or $2.16 per diluted share.

The increase in revenues was mainly driven by a complete year of revenues generated from the 2002 acquisitions of EMD, Tapco International, Penny & Giles, and Autronics and contributions from the 2003 acquisitions, primarily E/M Coatings and Collins Technologies. See Note 2 to the Consolidated Financial Statements for further information regarding acquisitions. Including the six businesses acquired in 2003, the Corporation has acquired twelve new businesses since 2001. The acquisitions made during the last two years contributed $221.8 million in incremental sales during 2003. The remaining business units experienced organic sales growth of 6% in 2003, led by the Flow Control segment, which grew organically by 13%, due to higher valve sales to the nuclear and non-nuclear naval programs and higher sales of new products to the commercial nuclear power generation market. Higher sales of shot peening services for the aerospace market in Europe, sales from our new laser peening technology, and higher sales from our domestic aerospace and ground defense businesses also contributed to the higher sales in 2003. These increases in our base businesses were partially offset by sales declines in commercial aerospace component overhaul and repair services and commercial aerospace original equipment manufacturers ("OEM") products. Foreign currency translation had a favorable impact on sales of $14.1 million for the year.

Operating income for 2003 totaled $89.3 million, an increase of 29% from operating income of $69.0 million in 2002. The increase is primarily attributed to the contributions of acquisitions mentioned above, which amounted to $25.1 million in incremental operating income. In 2003, we reclassed pension income derived from the Curtiss-Wright Pension Plan into operating income for all periods presented. The 2003 pension income decreased $5.6 million from 2002 due to lower investment returns on the Corporation's pension assets. The amount recorded as pension income reflects the extent to which the return on plan assets exceeds the cost of providing benefits in the same year, as detailed further in Note 16 to the Consolidated Financial Statements. Based upon current market conditions, the Corporation expects lower net pension income derived from the Curtiss-Wright Pension Plan in 2004. In addition to the contribution of the new acquisitions, 2003 operating income benefited from higher sales to the commercial nuclear power generation markets, higher sales and more favorable sales mix of products to the military aerospace, domestic ground defense, and naval markets. These increases were offset by lower margins as a result of lower volume in the commercial aerospace OEM and overhaul and repair businesses, and cost overruns and inventory adjustments within our Flow Control segment. Overall consolidated operating margins have decreased over the past three years, and this is related to the large number of acquisitions made since 2001. Although the new acquisitions continue to have a positive effect on operating income, the operating margins of the overall Corporation are lower since the margins of the acquisitions are below those of our traditional businesses. We consider this to be a short-term cost that will be more than offset by the benefits of diversification, the implementation of cost control measures, and increased

future profitability. The integration of our recent acquisitions continues to progress as planned. In addition to having improved operating margins for almost all of our recent acquisitions, we have initiated programs to cross-market products and share technologies across our businesses. Foreign currency translation had a favorable impact on operating income of $2.7 million for 2003.

The increase in net earnings for 2003 as compared to 2002 is mainly due to the higher segment operating income. The improvement in oper-

ating income was partially offset by lower non-operating other income and higher interest expense associated with higher debt levels.

Backlog at December 31, 2003 was $505.5 million compared with $478.5 million at December 31, 2002 and $242.3 million at December 31, 2001. Acquisitions made during 2003 represented $15.6 million of the backlog at December 31, 2003. New orders received in 2003 totaled $743.1 million, which represents a 55% increase over 2002 new orders of $478.2 million and a 128% increase over new orders received in 2001. Acquisitions made during 2002 and 2003 contributed $208.0 million in incremental new orders received in 2003. It should be noted that metal treatment services, repair and overhaul services, and after-market sales, which represent approximately 22% of the Corporation's total sales for 2003, are sold with very modest lead times. Accordingly, the backlog for these businesses is less of an indication of future sales than the backlog of the majority of the products and services of the Motion Control and Flow Control segments, in which a significant portion of sales is derived from long-term contracts.

FISCAL YEAR ENDED DECEMBER 31, 2002 COMPARED WITH FISCAL YEAR ENDED
DECEMBER 31, 2001

Curtiss-Wright Corporation recorded consolidated net sales of $513.3 million and net earnings of $45.1 million, or $2.16 per diluted share, for the year ended December 31, 2002. Sales for 2002 increased 50% over 2001 sales of $343.2 million. Net earnings for 2002 decreased 28% from 2001 net earnings of $62.9 million, or $3.07 per diluted share. The 2002 sales improvement from 2001 largely reflected the contributions of acquisitions made by the Corporation. See Note 2 to the Consolidated Financial Statements for further information regarding acquisitions. Sales and operating income in 2002 of the businesses acquired in 2002 and the fourth quarter of 2001 were $181.8 million and $19.7 million, respectively. The Corporation acquired six new businesses during 2002 and seven new businesses during 2001. In addition to the contribution of the new acquisitions, 2002 benefited from stronger military aerospace sales and higher sales of flow control products to the commercial nuclear power generation markets, nuclear naval programs, and the heavy truck OEM market. These increases were offset by significant decreases in the sales of commercial aerospace OEM products, aerospace overhaul and repair services, and shot peening services.

Operating income for 2002 totaled $69.0 million, an increase of 19% from operating income of $58.2 million in 2001. The increase was primarily attributed to the contributions of acquisitions mentioned above. Pension income decreased $3.8 million mainly due to lower investment returns on the Corporation's pension assets. In addition to the contribution of the acquisitions, 2002 operating income benefited from higher sales of Flow Control products to the commercial nuclear power generation and heavy truck markets, higher sales and more favorable sales mix of products to the military aerospace, international ground defense, and naval markets. These increases were offset by lower margins as a result of lower volume in the commercial aerospace OEM and unfavorable sales mix, start-up costs at new facilities, and certain nonrecurring costs associated with the relocation of a shot peening facility within our Metal Treatment segment. Despite lower demand from commercial airlines, the 2002 operating margins of our aerospace overhaul and repair services business were flat compared to 2001 due to the successful execution of cost reduction initiatives.

However, net earnings in 2002 and 2001 included several items the Corporation's management believes are nonrecurring and impact a year-to-year comparison. In 2002, the Corporation recorded net gains related to the sale of rental properties, a net gain relating to the reallocation of postretirement medical benefits for certain active employees to our pension plan, release of an indemnification reserve related to the sale of our Wood-Ridge business complex that was no longer required, a net legal settlement, a refund due from the Internal Revenue Service relative to a research and development credit, and costs associated with the relocation of a shot peening facility. The results for 2001 included a gain associated with the sale of our Wood-Ridge business complex, recapitalization costs and a net nonrecurring benefit gain. These items had a net positive impact on net earnings of $3.5 million, or $0.17 per diluted share in 2002, and $22.2 million, or $1.09 per diluted share in 2001.

Foreign currency translation had a favorable impact on sales and operating income in 2002. Comparing 2002 results to those of 2001, the fluctuation in foreign currency rates positively impacted sales by $3.2 million and operating income by $0.7 million. In addition, with the implementation of Statement of Financial Accounting Standards ("SFAS") No. 142, the Corporation eliminated the amortization of goodwill effective January 1, 2002, which totaled $1.8 million in 2001. See Note 8 to the Consolidated Financial Statements for pro forma results relative to the effect of goodwill amortization.

Backlog at December 31, 2002 was $478.5 million compared with $242.3 million at December 31, 2001. Acquisitions made during 2002 represented $246.9 million of the backlog at December 31, 2002. New orders received in 2002 totaled $478.2 million, which represents a 46% increase over 2001 new orders of $326.5 million. Acquisitions made during 2002 contributed $67.6 million to new orders received in 2002. It should be noted that metal treatment services, repair and overhaul services, and after-market sales, which represent approximately 27% of the Corporation's total sales for 2002, are sold with very modest lead times. Accordingly, the backlog for these businesses is less of an indication of future sales than the backlog of the majority of the products and services of the Motion Control and Flow Control segments, in which a significant portion of sales are derived from long-term contracts.

Economic and Industry-wide Factors

The weak U.S. economy and the continued slump in the global commercial aerospace industry has had an adverse impact on the Corporation, however, increased U.S. military spending and increased penetration into certain other served markets has more than offset this impact. Looking forward, many factors, including future defense spending in the U.S., the continued improvement in global gross domestic product, the geopolitical situation, and the pace of economic recovery could impact the Corporation's future performance.

GENERAL ECONOMY

Many of our industrial businesses are driven in large part by growth of the U.S. Gross Domestic Product (GDP). Based upon certain economic reports, the U.S. economy's output (real GDP) had grown at a rate of 6.1% in the second half of 2003 and is expected to continue to grow at a rate of 4.2% through 2004. According to the current economic data, interest rates are expected to rise very slowly through 2005,

which should encourage economic growth. Unemployment is also expected to drop slowly over the next two years, as companies produce increased output first through productivity gains and next through addition of labor.

Although it appears that, at least in the U.S., economic indicators are showing a possible recovery, we are only cautiously optimistic that this recovery, in fact, will occur. However, when it does, our businesses that are largely economic driven, such as metal treatment and petrochemical processing, are well positioned to take advantage of the recovery.

DEFENSE

Approximately 50% of our business is in the military sector, predominantly in the U.S., and is characterized by long-term programs and contracts and driven primarily by the U.S. Department of Defense ("DoD") budget.

The DoD budget reflects in part an initiative to transform and modernize U.S. forces. Highlights of fiscal 2004 DoD investment funding for key programs supportive of transformation include missile defense; CVN-21 aircraft carrier; new ship classes/technologies, including DDX destroyer, littoral combat ship, and CG(X) cruiser; SSGN conversion; transformational satellite communications; advanced Extremely High Frequency (EHF) capability; Space Based Radar (SBR); cryptologic modernization; Future Combat Systems (FCS); and Unmanned Aerial Vehicles (UAV), including the Global Hawk UAV, Predator UAV, Unmanned combat aerial vehicles (UCAVs), and Unmanned undersea vehicles (UUVs).

Other DoD investment programs essential to achieving the transformation and modernization of U.S. forces include: shipbuilding--procurement of seven ships, up sharply from five ships in fiscal 2003; F/A-22--procurement of 22 F/A-22s in fiscal 2004 to continue the development of the aircraft and to improve its ground attack systems; F/A-18E/F; Joint Strike Fighter (JSF)--continued system development; V-22; and chemical-biological defense programs. In addition, we anticipate future DoD spending to produce increased investment in electronics in military hardware to upgrade existing platforms and facilitate "network centric warfare" as part of the military's transformation plans.

Curtiss-Wright's Flow Control and Motion Control segments are well positioned on many of the aforementioned platforms, including the next-generation aircraft carrier, nuclear submarine program, the F/A-22, the V-22, the JSF and the UAV programs. As a result of our reputation and past performance, we are involved in many of the future systems that are currently in various stages of development. However, 2004 is an election year in the U.S., which could have an impact on U.S. DoD budget levels going forward, as could many other uncertainties such as budget deficit levels. There is the possibility that defense spending may decrease in the future, which could adversely affect the Corporation's operations and financial condition. While DoD funding fluctuates year-by-year and program-by-program, the biggest risk facing the Corporation would be the termination of a program. There are no such material terminations known at this time for programs upon which the Corporation has content. If a material program were to be terminated, the termination process takes several years to wind down, which would provide the Corporation ample time to reallocate resources. In addition to the above, there are other risks associated with our defense businesses, such as failure of a prime contractor to perform on a contract, pricing and/or design specifications which may not always be finalized at the time the contract is bid, and the failure and/or inability of certain sole source suppliers to provide product to the Corporation, could have an adverse impact on the Corporation's financial performance. While alternatives could be identified to replace a sole source supplier, a transition could result in increased costs and manufacturing delays. Our outlook for our defense business looks positive for the near to intermediate term.

COMMERCIAL AEROSPACE

Approximately 20% of our business serves the global commercial aerospace industry. World airline traffic is a primary driver for long-term growth in the commercial aerospace industry. Growth in airline traffic will require increased passenger carrying capacity ("seats") in the system, which can be met by a mix of large commercial aircraft, smaller regional jets and business jets. Based on market data, we anticipate a move toward the use of larger aircraft. This movement will be fueled by airport congestion, as well as by the replacement of older aircraft with generally larger airplanes. We also expect to see growth in aircraft range. Extended-range aircraft have the capability of flying long non-stop flights as well as multiple short flights without the need for refueling.

Based upon market data, we expect the commercial aerospace market to be flat for 2004.

Curtiss-Wright's Motion Control segment is a provider of OEM aerospace components and its Metal Treatment segment provides services to aircraft manufacturers. Based upon current external estimates, we anticipate this industry to remain flat in the near term. While the emergence of low cost airlines has contributed to this industry's growth, concerns still exist regarding the financial weakness of many airlines and the threat of another major terrorist attack, which could have an adverse impact on this industry and the Corporation's operating results and financial position.

Over the past several years the Corporation has diversified itself away from dependence on commercial aerospace and has sized its resources to current levels in order to protect profitability and will continue to do so if necessary. The Corporation is well positioned on its commercial aerospace applications and will benefit from the recovery in this industry, which is expected to occur over the next couple of years.

POWER GENERATION

There are several factors that might precipitate an expansion in commercial nuclear power, primarily increasing pressure on environmental

issues. Nuclear power has minimal impact on the environment, is one of the most economical forms of generating electricity, and does not depend upon foreign oil and gas. With respect to existing plants, the U.S. nuclear power industry is expected to grow based on the fact that most of the 103 current plants are or will be applying for plant life extensions. This, combined with new plant construction in the U.S., Far East, and other parts of the world should drive expansion in this industry. Curtiss-Wright Flow Control is well positioned to take part in this expansion over the next couple of years. However, there is no guarantee that the U.S. plants will be granted plant life extensions or that the Nuclear Regulatory Commission will authorize the construction of new facilities in the U.S. In addition, the geopolitical climate is not certain and is volatile, which could impact future nuclear plant construction levels around the world.

PETROCHEMICAL PROCESSING

Based upon market data, capital expenditures in the petroleum industries are expected to increase in the next few years. The long-term global forecast for sales of valves to the petroleum market currently anticipates an annual five percent increase. Due to the fact that capacity utilization of existing U.S. refineries rose from 70% to 91% from 1981 to 2000 and worldwide from 70% to 85% over the same time period, the demand for valves is expected to be primarily driven by maintenance and upgrades. However, the proposed and enacted environmental regulations in the U.S. and other developed countries could drive the demand for valves by as much as 8 - 13% increases over the next few years. However, it is uncertain whether certain economic recoveries can be sustained or whether anticipated future environmental regulatory changes will actually occur, and whether such regulatory changes will have an impact on this industry.

2003 Segment Performance

Curtiss-Wright operates in three principal operating segments on the basis of products and services offered: Flow Control, Motion Control, and Metal Treatment. See Note 18 to the Consolidated Financial Statements for further segment financial information. The following table sets forth revenues, operating income, operating margin, and the percentage changes on those items, as compared with the prior-year periods, by operating segment:

	Year Ended December 31,			Percent Changes	
(Dollars in thousands)	2003	2002	2001	2003 vs. 2002	2002 vs. 2001
SALES:					
Flow Control	$341,271	$172,455	$ 98,257	97.9%	75.5%
Motion Control	265,905	233,437	137,103	13.9%	70.3%
Metal Treatment	138,895	107,386	107,807	29.3%	-0.4%
Total Curtiss-Wright	$746,071	$513,278	$343,167	45.4%	49.6%
OPERATING INCOME:					
Flow Control	$ 39,991	$ 20,693	$ 10,703	93.3%	93.3%
Motion Control	30,350	29,579	19,219	2.6%	53.9%
Metal Treatment	19,055	14,403	19,513	32.3%	-26.2%
Total Segments	89,396	64,675	49,435	38.2%	30.8%
Pension Income	1,611	7,208	11,042	-77.6%	-34.7%
Corporate & Other	(1,677)	(2,846)	(2,277)	41.1%	25.0%
Total Curtiss-Wright	$ 89,330	$ 69,037	$ 58,200	29.4%	18.6%
OPERATING MARGINS:					
Flow Control	11.7%	12.0%	10.9%		
Motion Control	11.4%	12.7%	14.0%		
Metal Treatment	13.7%	13.4%	18.1%		
Total Segments	12.0%	12.6%	14.4%		
Total Curtiss-Wright	12.0%	13.5%	17.0%		

FLOW CONTROL

The Corporation's Flow Control segment reported sales of $341.3 million for 2003, a 98% increase over 2002 sales of $172.5 million. The higher sales largely reflect the full year of revenues from the acquisitions of EMD and TAPCO International, Inc. completed in the fourth quarter of 2002. The 2003 incremental sales from these acquisitions amounted to $170.3 million, driven mainly by strong financial performance from EMD. The remaining business units of this segment produced organic sales growth of 13%, which was driven by higher sales to the commercial nuclear power generation market, nuclear and non-nuclear naval programs, and domestic and international oil and gas markets. Higher sales to the commercial nuclear power generation markets were due to the launch of new product lines and the expedited outage service requirements by the power generation plants. The non-nuclear naval products sales growth was due to new products, such as ball valves and JP-5 fuel valve systems, and higher electronic sales drove the nuclear naval product growth. Sales of the coker valve products to the petrochemical and oil and gas markets were up due to new orders while the remaining product lines in those markets were essentially flat with the prior year. In addition, foreign currency translation favorably impacted sales in 2003 from 2002.

Operating income for the year increased by 93% over the prior year. Acquisitions made in the fourth quarter of 2002 generated incremental operating income of $21.3 million in 2003, while the balance of the segment businesses rose 2% over 2002. The organic growth was mainly driven by higher volume mentioned above, favorable sales mix, and improved productivity gained from the relocation of the electronics unit, offset by slightly lower margins related to start-up costs on the new product launches and cost overruns on a safety relief valve project. In addition, unanticipated shipping delays and a delay in launching strategic

plans for improved operating cost efficiencies at our international unit resulted in an operating loss for the year. However, in late 2003, a new enterprise resource planning system was installed and various process improvements were implemented. Foreign currency translation had a $0.2 million positive impact on 2003 operating income.

Flow Control segment sales in 2002 were 76% higher than the sales of $98.3 million for 2001. The 2002 sales included $72.9 million related to acquisitions made during 2002 and 2001. The base business also improved largely due to stronger sales of nuclear products to the U.S. Navy and power generation markets, higher sales to the heavy truck OEM markets, and solid sales to our European valve markets. Sales of the valve products to the petrochemical and oil and gas markets were essentially flat with 2001. In addition, foreign currency translation favorably impacted sales in 2002 from 2001. Operating income for 2002 increased by 93% over 2001, benefiting from the acquisitions and from organic growth. Operating income from the remaining base business units of this segment improved 21% due to higher sales volumes, improved margins on flow control products for nuclear applications and heavy truck OEM markets, and overall cost reduction initiatives. Foreign currency translation also had a $0.2 million negative impact on 2002 operating income. In addition, the elimination of goodwill amortization, which totaled $1.0 million in 2001, also favorably impacted the 2002 results.

Backlog at December 31, 2003 is $317.8 million compared with $304.3 million at December 31, 2002 and $73.5 million at December 31, 2001. New orders received in 2003 totaled $353.7 million, which represents a 111% increase over 2002 new orders of $167.9 million and a 257% increase over new orders received in 2001. The 2003 increase is mainly due to the full year contributions by the segment's acquisitions of 2002 and a large order in the fourth quarter of 2003 from the Navy Surface Warfare Center.

MOTION CONTROL

The Corporation's Motion Control segment reported sales of $265.9 million for 2003, a 14% increase over 2002 sales of $233.4 million. The higher sales largely reflect the full year contributions of the April 2002 acquisitions of Penny & Giles ("P&G") and Autronics ("Autronics") and the contributions of the 2003 acquisitions of Collins Technologies, Peritek, Systran, and Novatronics. The 2003 incremental sales associated with these acquisitions amounted to $28.0 million. Sales from the remaining base businesses were essentially flat. Strong domestic ground defense sales, primarily related to the expedited deliveries of spare parts for the Bradley Fighting Vehicle to support the Iraqi war effort, an increase in sales of military aerospace products, primarily resulting from new orders for F-16 spare parts and the Joint Strike Fighter development, and higher sales of military electronics for the Global Hawk unmanned aerial reconnaissance system were offset by lower volume associated with the overhaul and repair services provided to the global commercial airline industry and lower OEM commercial aircraft production. The softening in the demand for the commercial aerospace business and related services, which began in 2001, has continued through 2003. In addition, foreign currency translation favorably impacted sales in 2003 from 2002.

Operating income for 2003 increased 3% over the prior year. Acquisitions made in 2002 and 2003 generated incremental operating income of $2.3 million, while the balance of the segment businesses was essentially flat as compared to 2002. Slightly lower operating income from the base businesses was mainly due to the lower volume, lower overhead absorption, and the write-off of obsolete inventory at our overhaul and repair services business unit. Operating income of our commercial aerospace OEM business also declined due to lower volume. This decline was offset by higher operating income for our military aerospace products, which rose due to volume and cost improvements. Higher operating income for our land-based defense businesses was due to higher volume and more favorable sales mix from the spare parts for the Bradley Fighting Vehicle. Foreign currency translation favorably impacted 2003 operating income by $0.9 million.

Motion Control segment sales for 2002 were 70% above 2001 sales of $137.1 million. The higher sales largely reflected the contributions from the acquisitions of P&G and Autronics in April 2002 and the full year contributions of the November 2001 acquisitions of Lau Defense Systems ("LDS") and Vista Controls ("Vista"). The 2002 sales associated with these acquisitions amounted to $110.3 million. Also affecting 2002 sales were lower aerospace repair and overhaul services compared to the prior year. The softening in the demand for these services was exacerbated by the impact of the events of September 11th. This decline was offset by higher shipments of 737 and F/A-22 OEM products and strong growth in the global ground defense business as compared to the prior year. In addition, foreign currency translation favorably impacted sales in 2002 from 2001. Operating income for 2002 increased 54% over 2001 mainly due to the contributions from the 2002 and 2001 acquisitions. Operating income from the remaining base businesses increased 2% due to the stronger margins from both the aerospace and land-based defense businesses. These improvements were mostly offset by declines in our commercial aerospace business. The operating margins of our overhaul and repair business were flat compared to the prior year, despite the lower demand from commercial airlines. Foreign currency translation favorably impacted 2002 operating income by $0.3 million. In addition, the elimination of goodwill amortization, which totaled $0.6 million in 2001, also favorably impacted the 2002 results.

Backlog at December 31, 2003 was $186.3 million compared with $173.2 million at December 31, 2002 and $167.5 million at December 31, 2001. Acquisitions made during 2003 represents $15.6 million of the backlog at December 31, 2003. New orders received in 2003 totaled $250.1 million, which represents a 23% increase over 2002 new orders of $203.3 million and a 109% increase over new orders received in 2001. The increase is mainly due to the segment's recent acquisitions.

METAL TREATMENT

The Corporation's Metal Treatment segment reported sales of $138.9 million in 2003, an increase of 29% over 2002 sales of $107.4 million. The higher sales largely reflect the contributions from the acquisition of the assets of Advanced Material Process ("AMP") in March 2003 and E/M Engineered Coatings Solutions ("E/M Coatings") in April 2003 and the full year contributions of the 2002 acquisitions of the assets of Brenner Tool & Die, Inc. and Ytstruktur Arboga AB. The 2003 incremental sales associated with these acquisitions amounted to $23.5 million. Sales from the remaining base businesses grew 7% mainly due to domestic and international sales from our new laser peening technology. Our

core shot peening sales were down slightly in

our North American divisions due mainly to slow downs in the commercial aerospace and automotive markets. The improvement in core shot peening sales from our European divisions was mainly driven by favorable foreign currency translation. Sales from our heat treating services were essentially flat year over year, whereas the sales from our reed valve product line declined due to the softness in the automotive industry.

Operating income for 2003 increased 32% from the prior year. Acquisitions made in 2002 and 2003 generated incremental operating income of $1.6 million. This incremental income is net of a loss associated with our finishing division, which was negatively impacted by a customer bankruptcy. The balance of the segment businesses rose 22% over 2002. The organic operating income growth is due to favorable sales mix from our laser peening services, higher volume, and the benefit from cost reduction initiatives. In 2002, this segment incurred higher start-up costs at new facilities and nonrecurring costs associated with the relocation of a shot peening facility. Foreign currency translation favorably impacted 2003 operating income by $1.6 million.

Metal Treatment segment sales for 2002 were $107.4 million, essentially flat with the 2001 sales. The slight decrease resulted from lower shot peening sales, especially at the European divisions, which were impacted by softness in the aerospace and automotive markets, partially offset by the contribution from the 2002 acquisition in Sweden and sales from our new laser peening technology. The decline in the shot peening business was offset by higher heat treating sales resulting from the full year contributions from the two acquisitions made in the fourth quarter of 2001. The valve division improved over 2001 due to higher sales to automotive and air conditioner compressor customers. In addition, foreign currency translation favorably impacted sales in 2002 from 2001. In 2002, operating income was 26% below 2001 due primarily to an unfavorable sales mix, start-up costs at new facilities, and nonrecurring costs associated with the relocation of a shot peening facility. Foreign currency translation favorably impacted 2002 operating income by $0.6 million. In addition, the elimination of goodwill amortization, which totaled $0.2 million in 2001, also favorably impacted the 2002 results.

Backlog at December 31, 2003 was $1.4 million compared with $1.0 million at December 31, 2002 and $1.3 million at December 31, 2001. New orders received in 2003 totaled $139.9 million, which represents a 30% increase from 2002 new orders of $107.5 million and a 29% increase over new orders received in 2001. The increase is mainly due to the segment's recent acquisitions.

CORPORATE AND OTHER EXPENSES

The Corporation had non-segment operating costs of $1.7 million in 2003. The operating costs consisted mainly of net environmental remediation and administrative expenses, incremental compensation cost, additional workers compensation insurance, director fees associated with additional Board of Directors' meetings and a stock award, debt commitment fee expenses, and other administrative expenses. These expenses were partially offset by the collection of interest on a 2002 net legal settlement.

Non-segment operating costs for 2002 were $2.8 million, which consisted mainly of net environmental remediation and administrative expenses, post-employment expenses, professional consulting costs associated with the integration of the recent acquisitions, debt commitment fee expenses associated with the Corporation's prior credit agreements, insurance costs, charitable contributions, and other administrative expenses. These expenses were partially offset by a net legal settlement.

Non-segment operating costs for 2001 were $2.3 million, and consisted mainly of administrative expenses, $1.5 million in expenses associated with the Corporation's Recapitalization (see "Recapitalization" later in this section for more information), partially offset by a net nonrecurring benefit gain of $1.2 million, which consisted of an approximate $3.0 million gain resulting from the demutualization of an insurance company in which the Corporation was a policyholder, partially offset by $1.8 million of nonrecurring employee benefit related costs which are included in general and administrative expenses in the statement of earnings.

NON-OPERATING INCOME/EXPENSES

The Corporation recorded non-operating net revenues (excluding interest expense) in 2003 of $0.4 million compared with $4.5 million in 2002. In 2002, the Corporation recorded nonrecurring items, the net effect of which had a favorable pre-tax impact in 2002 of $3.6 million. Of the $45.2 million generated in 2001, $38.9 million relates to the pre-tax gain from the sale of the Wood-Ridge Business Complex, which is more fully described in Note 3 to the Consolidated Financial Statements.

Net investment income of $0.3 million in 2003, which is included in other non-operating income, decreased from the prior year's $0.6 million due to a lower cash position resulting from the funding of acquisitions and lower interest rates. Rental income in 2002 declined from 2001 due to the sale of our Wood-Ridge rental property in December 2001. The increase in interest expense for 2003 as compared to 2002 is due to higher debt levels. The higher debt levels are due to the funding of our recent acquisitions.

PROVISION FOR INCOME TAXES

The effective tax rates for 2003, 2002, and 2001 are 37.8%, 37.1%, and 38.5%, respectively. The 2003 effective tax rate included the benefit of the restructuring of some of our European operations. The 2002 effective rate included a one-time benefit of 1.3% associated with the recovery of research and development tax credits related to earlier years. The reduction in the state and local tax rate from 2002 to 2001 is principally the result of the mix in earnings derived from particular states.

Liquidity and Capital Resources

SOURCES AND USES OF CASH

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

Prior to 2003, the Corporation had a portfolio of cash and marketable securities, which provided a steady stream of investment income. These investments have been monetized and the proceeds used to fund our strategic acquisition program. Thus, the cash flow benefit from these sources no longer exists.

OPERATING ACTIVITIES

The Corporation's working capital was $238.6 million at December 31, 2003, an increase of $101.4 million from the working capital at December 31, 2002 of $137.2 million. The ratio of current assets to current liabilities was 2.8 to 1 at December 31, 2003, compared with a ratio of 1.8 to 1 at December 31, 2002. Cash and cash equivalents totaled $98.7 in the aggregate at December 31, 2003, up 107% from $47.7 million at December 31, 2002. The increase in cash is primarily due to net proceeds from the $200 million Senior Note offerings completed in September 2003. See below for a further description of the Senior Notes. These proceeds were used to repay the majority of the outstanding indebtedness under the existing revolving credit facilities and to fund the acquisitions made in December 2003. Excluding the impact on cash, working capital increased by $9.2 million due to the acquisition of six businesses in 2003. In addition to the impact of these acquisitions, working capital changes were also highlighted by a decrease in deferred revenue due to a reduction in those contracts whose billings were in excess of incurred costs. Accrued expenses increased mainly due to higher accrued interest on the Senior Notes. Short-term debt was $1.0 million at December 31, 2003, a decrease of $31.8 million from the balance at December 31, 2002. The decrease in short-term debt is due to repayment of the majority of outstanding indebtedness under the existing revolving credit facilities. Days sales outstanding at December 31, 2003 increased to 56 days from 51 days at December 31, 2002 while inventory turnover increased to 5.5 turns at December 31, 2003 as compared to 4.8 turns at December 31, 2002.

The Corporation's balance of cash and short-term investments totaled $48.0 million at December 31, 2002, a decrease of $19.1 million from the balance at December 31, 2001. Excluding the impact on cash, working capital increased $16.9 million due to the acquisition of six businesses in 2002. In addition to the impact of these acquisitions, working capital changes were also highlighted by a decrease in income taxes payable of $11.1 million due to the large tax payment related to the gain on the sale of the Wood-Ridge business complex. Days sales outstanding at December 31, 2002 decreased to 51 days from 59 days at December 31, 2001 while inventory turnover increased to 4.8 turns at December 31, 2002 versus 4.4 turns at December 31, 2001.

INVESTING ACTIVITIES

The Corporation has acquired twenty-five businesses since 1998 and expects to continue to seek acquisitions that are consistent with our long-term growth strategy and accretive to earnings. A combination of cash resources, funds available under the Corporation's Credit Agreements, and proceeds from the Corporation's Senior Notes issue were utilized for the funding of these acquisitions, which totaled $71.4 million and $164.7 million in 2003 and 2002, respectively. As noted in Note 2 to the Consolidated Financial Statements, certain acquisition agreements contain contingent purchase price adjustments. The Corporation is also committed to potential earn-out payments on six of its acquisitions dating back to 2001. The Corporation estimates these potential payouts to be approximately $2 million to $3 million per year from 2004 through 2007. Additional acquisitions will depend, in part, on the availability of financial resources at a cost of capital that meets our stringent criteria. As such, future acquisitions, if any, may be funded through the use of the Corporation's cash and cash equivalents, or through additional financing available under the credit agreements, or through new debt facilities or equity offerings.

Capital expenditures were $33.3 million in 2003, $35.0 million in 2002, and $19.4 million in 2001. Principal expenditures were for additional facilities and machinery and equipment. Capital expenditures in 2003 included building expansions, a new laser peening facility and associated laser machinery, and various other machinery and equipment. Capital expenditures in 2002 included the construction of a new facility, additional machinery and equipment for start-up operations, and new Enterprise Resource Planning ("ERP") computer systems at two facilities. Capital expenditures in 2001 included the construction of a new facility and an investment in a new ERP computer system at one of the Corporation's facilities.

FINANCING ACTIVITIES

On September 25, 2003 the Corporation issued $200.0 million of Senior Notes (the "Notes"). The Notes consist of $75.0 million of 5.13% Senior Notes that mature on September 25, 2010 and $125.0 million of 5.74% Senior Notes that mature on September 25, 2013. The Corporation used the net proceeds of the Notes to repay the majority of the outstanding indebtedness under the existing revolving credit facilities. The Notes are senior unsecured obligations and are equal in right of payment to the Corporation's existing senior indebtedness. The Corporation, at its option, can prepay at any time, all or from time to time any part of, the Notes, subject to a make-whole amount in accordance with the terms of the Note Purchase Agreement. The Corporation paid customary fees that have been deferred and will be amortized over the terms of the Notes. The Corporation is required under the Note Purchase Agreement to maintain certain financial ratios and meet certain net worth and indebtedness tests, of which the Corporation is in compliance at December 31, 2003.

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

At December 31, 2003, the Corporation had two credit agreements aggregating $225.0 million with a group of eight banks. The Revolving Credit Agreement offers a maximum of $135.0 million over five years to the Corporation for cash borrowings and letters of credit. The Revolving Credit Agreement expires May 13, 2007, but may be extended annually for successive one-year periods with the consent of the bank

group. The Corporation also has in effect a Short-Term Credit Agreement, which allows for cash borrowings up to $90.0 million. The Short-Term Credit Agreement expires May 7, 2004, but may be extended, with the consent of the bank group, for additional periods not to exceed 364 days each. The Corporation expects to extend the Short-Term Agreement in 2004 with the consent of the bank group; however, there can be no assurances that the bank group will approve the extension. In the event the bank group does not renew the Short-Term Credit Agreement, the Corporation

should have sufficient cash flow to meet its cash requirements. Borrowings under these agreements bear interest at a floating rate based on market conditions. In addition, the Corporation's rate of interest and payment of facility fees are dependent on certain financial ratios of the Corporation, as defined in the agreements. As of December 31, 2003, the Corporation pays annual facility fees on the aggregate commitment of the Revolving Credit Agreement and Short-Term Credit Agreement. The Corporation is required under these agreements to maintain certain financial ratios and meet certain net worth and indebtedness tests as detailed in the agreements, the most restrictive of which is a Debt to EBITDA limit of 3 to 1. At December 31, 2003, the Corporation is in compliance with these covenants. The Corporation would consider other financing alternatives to maintain balance of capital structure and ensure compliance with all debt covenants. Cash borrowings (excluding letters of credit) under the two credit agreements at December 31, 2003 were $8.9 million compared with cash borrowings of $137.5 million at December 31, 2002. The unused credit available under these agreements at December 31, 2003 was $197.1 million.

Industrial revenue bonds, which are collateralized by real estate, were $14.3 million and $13.4 million at December 31, 2003 and December 31, 2002, respectively. The loans outstanding under the Senior Notes, Interest Rate Swaps, Revolving Credit Agreement, and Industrial Revenue Bonds had variable interest rates averaging 2.88% for 2003; 2002 loans outstanding under the Revolving Credit Agreements and Industrial Revenue Bonds had variable interest rates averaging 2.32%.

FUTURE COMMITMENTS

Cash generated from operations are considered adequate to meet the Corporation's operating cash requirements for the upcoming year, including planned capital expenditures of approximately $40 million, interest payments of approximately $8 million to $10 million, estimated income tax payments of approximately $27 million to $30 million, dividends of approximately $8 million, pension funding related to the EMD pension and postretirement plans of approximately $6 million, and additional working capital requirements. The Corporation has approximately $3 million in short-term environmental liabilities, which is management's estimation of cash requirements for 2004. There can be no assurance, however, that the Corporation will continue to generate cash flow at the current level. If cash generated from operations is not sufficient to support these requirements and investing activities, the Corporation may be required to reduce capital expenditures, refinance a portion of its existing debt, or obtain additional financing.

In 2004, capital expenditures are expected to be approximately $40 million due to the full-year effect of the 2003 acquisitions and the continued expansion of the segments. These expenditures will include construction of new facilities, expansion of facilities to accommodate new product lines, and new machinery and equipment, such as additional investment in our laser peening technology.

The following table quantifies our significant future contractual obligations and commercial commitments as of December 31, 2003:

(In thousands)	Debt Principal Repayments(1)	Operating Leases	Total
2004	$ 997	$10,430	$ 11,427
2005	79	8,925	9,004
2006	59	7,908	7,967
2007	13,929	7,145	21,074
2008	62	5,748	5,810
Thereafter	209,058	14,991	224,049
Total	$224,184	$55,147	$279,331

(1) Amounts exclude a $1.0 million adjustment to the fair value of long-term debt relating to the Corporation's interest rate swap agreements that will not be settled in cash.

The Corporation does not have material purchase obligations. Most of our raw material purchase commitments are made directly pursuant to specific contract requirements.

Undistributed earnings of $16.7 million from the Corporation's foreign subsidiaries are considered permanently reinvested.

On January 31, 2004, the Corporation completed the acquisition of Dy4 Systems, Inc. The purchase price of $110.0 million was funded with approximately $70 million in cash and $40 million from the revolving credit facilities. See Recent Development for more information on this acquisition.

RECAPITALIZATION

On October 26, 2001, the Corporation's shareholders approved a recapitalization plan, which enabled Unitrin, Inc. ("Unitrin") to distribute its approximate 44% equity interest in Curtiss-Wright to its shareholders on a tax-free basis.

Under the recapitalization plan and in order to meet certain tax requirements, Unitrin's 4.4 million shares of the Corporation's common stock were exchanged for an equivalent number of common shares of a new Class B Common Stock of Curtiss-Wright which are entitled to elect 80% of Curtiss-Wright's Board of Directors. After such exchange, Unitrin immediately distributed the Class B shares to its approximately 8,000 registered stockholders in a tax-free distribution. The holders of the outstanding common shares of Curtiss-Wright are entitled to elect up to 20% of the Board of Directors after the distribution. Other than the right to elect Directors, the two classes of stock vote as a single class (except as required by law) and are equal in all other respects. The new Class B Common Stock was listed on the New York Stock Exchange, effective November 29, 2001.

Under the terms of the recapitalization agreement reached between Unitrin and Curtiss-Wright, Unitrin agreed to reimburse the Corporation for certain costs associated with the recapitalization up to a maximum of $1.8 million. This amount was received subsequent to the recapitalization.

A more thorough description of the transaction is set forth in the Corporation's definitive proxy material filed with the U.S. Securities and Exchange Commission on September 5, 2001.

Critical Accounting Policies

Our consolidated financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States of America. Preparing consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are affected by the application of our accounting policies. Critical accounting policies are those that require application of management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. We believe that the following are some of the more critical judgment areas in the application of our accounting policies that affect our financial condition and results of operations:

REVENUE RECOGNITION

The realization of revenue refers to the timing of its recognition in the accounts of the Corporation and is generally considered realized or realizable and earned when the earnings process is substantially complete and all of the following criteria are met: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred or services have been rendered; 3) the Corporation's price to its customer is fixed or determinable; and 4) collectibility is reasonably assured.

The Corporation records sales and related profits on production and service type contracts as units are shipped and title and risk of loss have transferred or as services are rendered. This method is used in our Metal Treatment segment and in some of the business units within the Motion Control and Flow Control segments that serve commercial markets.

For certain contracts in our Flow Control and Motion Control segments that require performance over an extended period before deliveries begin, sales and estimated profits are recorded by applying the percentage-of-completion method of accounting. The percentage-of-completion method of accounting is used primarily for the Corporation's defense contracts and certain long-term commercial contracts. This method recognizes revenue and profit as the contracts progress towards completion. For certain contracts that contain a significant number of performance milestones, as defined by the customer, sales are recorded based upon achievement of these performance milestones. The performance milestone method is an output measure of progress towards completion made in terms of results achieved. For certain fixed price contracts, where none or a limited number of milestones exist, the cost-to-cost method is used, which is an input measure of progress towards completion. Under the cost-to-cost input method, sales and profits are recorded based on the ratio of costs incurred to an estimate of total costs at completion.

Application of percentage-of-completion methods of revenue recognition requires the use of reasonable and dependable estimates of the future material, labor, and overhead costs that will be incurred. The percentage-of-completion method of accounting for long-term contracts requires a disciplined cost estimating system in which all functions of the business are integrally involved. These estimates are determined based upon the industry knowledge and experience of the Corporation's engineers, project managers, and financial staff. These estimates are significant and reflect changes in cost and operating performance throughout the contract and could have a significant impact on operating performance. Adjustments to original estimates for contract revenue, estimated costs at completion, and the estimated total profit are often required as work progresses throughout the contract and as experience and more information is obtained, even though the scope of work under the contract may not change. These changes are recorded on a cumulative retroactive basis in the period they are determined to be necessary.

Under the percentage-of-completion and completed contract methods, provisions for estimated losses on uncompleted contracts are recognized in the period in which the likelihood of such losses is determined. Certain contracts contain provisions for the redetermination of price and, as such, management defers a portion of the revenue from those contracts until such time as the price has been finalized.

Some of the Corporation's customers withhold certain amounts from the billings they receive. These retainages are generally not due until the project has been completed and accepted by the customer.

INVENTORY

Inventory costs include materials, direct labor, and manufacturing overhead costs, which are stated at the lower of cost or market, where market is limited to the net realizable value. The Corporation estimates the net realizable value of its inventories and establishes reserves to reduce the carrying amount of these inventories to net realizable value, as necessary. We continually evaluate the adequacy of the inventory reserves by reviewing historical scrap rates, on-hand quantities, as compared with historical and projected usage levels and other anticipated contractual requirements. The stated inventory costs are also reflective of the estimates used in applying the percentage-of-completion revenue recognition method.

The Corporation purchases materials for the manufacture of components for sale. The decision to purchase a set quantity of a particular item is influenced by several factors including: current and projected price, future estimated availability, existing and projected contracts to produce certain items, and the estimated needs for its businesses.

For certain of its long-term contracts, the Corporation utilizes progress billings, which represent amounts recorded as billed to customers prior to the delivery of goods and services and are recorded as a reduction to inventory and receivables. Progress billings are generally based on costs incurred, including direct costs, overhead, and general and administrative costs.

PENSION AND OTHER POSTRETIREMENT BENEFITS

The Corporation, in consultation with its actuaries, determines the appropriate assumptions for use in determining the liability for future pension and other postretirement benefits. The most significant of these assumptions include the number of employees who will receive benefits along with the tenure and salary level of those employees, the expected return on plan assets, the discount rates used on plan obligations, and the trends in health care costs. Changes in these assumptions in future years will have an effect on the Corporation's pension and postretirement costs and associated pension and postretirement assets and liabilities.

The discount rates and compensation rates increases used to determine the benefit obligations of the plans as of December 31, 2003 and the annual periodic costs for 2004 were lowered in 2003 to better

reflect current economic conditions. The reduction in the discount rates increased the benefit obligation on the plans. A corresponding decrease in future compensation costs, which occurred due to the impact of lower inflationary effects, had an offsetting decrease to the benefit obligation. The change in these two assumptions were based upon current and future economic indicators.

The overall expected return on assets assumption is based on a combination of historical performance of the pension fund and expectations of future performance. The historical returns are determined using the market-related value of assets, which is the same value used in the calculation of annual net periodic benefit cost. The market-related value of assets includes the recognition of realized and unrealized gains and losses over a five-year period, which effectively averages the volatility associated with the actual performance of the plan's assets from year to year. Although over the last ten years the market-related value of assets had an average annual yield of 11.6%, the actual returns averaged 8.5% during the same period. The Corporation has consistently used the 8.5% rate as a long-term overall average return. Given the uncertainties of the current economic and geopolitical landscapes, we consider the 8.5% to be a reasonable assumption of the future long-term investment returns.

The long-term medical trend assumptions starts with a current rate that is in line with expectations for the near future, and then grade the rate down over time until it reaches an ultimate rate that is close to expectations for growth in GDP. The reasoning is that medical trends cannot continue to be higher than the rate of GDP growth in the long term. Any change in the expectation of these rates to return to a normal level will have an impact on the Corporation.

In 2003, the Corporation recognized non-cash pension income from the Curtiss-Wright Pension Plan of $1.6 million as the excess of amounts funded for the pension plan in prior years yields returns that exceed the calculated costs associated with the liability in the current year. As of December 31, 2003, the Corporation had a prepaid pension asset of $77.9 million relating to the Curtiss-Wright Retirement Plan and accrued pension and other postretirement costs of $0.8 million related to the Curtiss-Wright Restoration Plan. The timing and amount of future pension income or expense to be recognized each year is dependent on the demographics and expected earnings of the plan participants, the expected interest rates in effect in future years, and the actual and expected investment returns of the assets in the pension trust.

As a result of the acquisition of EMD in October 2002, the Corporation assumed underfunded pension and postretirement liabilities of $75.0 million. Expenses incurred during 2003 related to the EMD plans were $5.6 million. Additionally, the Corporation has made $5.7 million in cash contributions to the EMD Pension Plan during 2003.

See Note 16 for further information on the Corporation's pension and postretirement plans, including an estimate of future cash contributions.

ENVIRONMENTAL RESERVES

The Corporation provides for environmental reserves when, in conjunction with internal and external legal counsel, it is determined that a liability is both probable and estimable. In many cases, the liability is not fixed or capped when the Corporation first records a liability for a particular site. In estimating the future liability and continually evaluating the sufficiency of such liabilities, the Corporation weighs certain factors including the Corporation's participation percentage due to a settlement by or bankruptcy of other potentially responsible parties, a change in the environmental laws requiring more stringent requirements, a change in the estimate of future costs that will be incurred to remediate the site, and changes in technology related to environmental remediation.

PURCHASE ACCOUNTING

The Corporation applies the purchase method of accounting to its acquisitions. Under this method, the purchase price, including any capitalized acquisition costs, is allocated to the underlying tangible and intangible assets acquired and liabilities assumed based on their respective fair market values, with any excess recorded as goodwill. The Corporation, usually in consultation with third-party valuation advisors, determines the fair values of such assets and liabilities. During 2003, the fair value of assets acquired, net of cash, and liabilities assumed through acquisitions were estimated to be $84.8 million and $13.4 million, respectively. The assigned initial fair value to these acquisitions are tentative and may be revised prior to finalization, which is to be completed within a reasonable period, generally within one year of acquisition.

GOODWILL

The Corporation has $220.1 million in goodwill as of December 31, 2003. The recoverability of goodwill is subject to an annual impairment test based on the estimated fair value of the underlying businesses. Additionally, goodwill is tested for impairment when an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. These estimated fair values are based on estimates of future cash flows of the businesses. Factors affecting these future cash flows include the continued market acceptance of the products and services offered by the businesses, the development of new products and services by the businesses and the underlying cost of development, the future cost structure of the businesses, and future technological changes. Estimates are also used for the Corporation's cost of capital in discounting the projected future cash flows. The Corporation utilizes an independent third party cost of capital analysis in determination of its estimates. If it has been determined that an impairment has occurred, the Corporation may be required to recognize an impairment of its asset, which would be limited to the difference between the book value of the asset and its fair value. Any such impairment would be recognized in full in the reporting period in which it has been identified.

OTHER INTANGIBLE ASSETS

Other intangible assets are generally the result of acquisitions and consist primarily of purchased technology, customer related intangibles, trademarks and service marks, and technology licenses. Intangible assets are recorded at their fair values as determined through purchase accounting and are amortized ratably to match their cash flow streams over their estimated useful lives, which range from 1 to 20 years. The Corporation reviews the recoverability of intangible assets, including the related useful lives, whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. Any impairment would be recorded in the reporting period in which it has been identified.

RECENTLY ISSUED ACCOUNTING STANDARDS

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The statement requires the Corporation to recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate can be made. Upon initial recognition of such a liability, if any, the Corporation would capitalize the asset retirement cost as an asset equal to the fair value of the liability and allocate such cost to expense systematically over the useful life of the underlying asset. The estimated future liability would be subject to change, with the effects of such change affecting the asset retirement cost and the related expense as appropriate. The provisions of this statement are effective for fiscal years beginning after June 15, 2002. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In June 2002, the FASB issued SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities." This statement applies to costs associated with exit or disposal activities and requires that liabilities for costs associated with these activities be recognized and measured initially at its fair value in the period in which the liability is incurred. The provisions of this statement are effective for exit or disposal activities initiated after December 31, 2002. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In November 2002, the FASB issued Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation relates to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. This interpretation requires the issuer of a guarantee to recognize a liability at the inception of that guarantee. The Corporation is required to apply the interpretation to all guarantees issued or modified after December 31, 2002. The disclosure requirements of this interpretation are effective for financial statements of interim and annual periods ending after December 15, 2002. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation--Transition and Disclosure." This statement provides alternate methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, the statement requires additional disclosures about the methods of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of this statement are effective for fiscal years beginning after December 15, 2002. The Corporation has continued to account for its stock options under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and thus the adoption of the new standard did not have a material impact on the Corporation's results of operation or financial condition.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities ("VIE"s)" ("FIN 46"). This interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," addresses when a company should include in its financial statements the assets and liabilities of unconsolidated VIEs. FIN 46 was effective for VIEs created or acquired after January 31, 2003. The Corporation is not party to any contractual arrangements with VIEs and thus the adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In December 2003, the FASB completed deliberations of proposed modifications to FIN 46 ("Revised Interpretations") resulting in multiple effective dates based on the nature as well as the creation date of the VIE. The Corporation does not anticipate that the adoption of this statement will have a material impact on the Corporation's results of operation or financial condition.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). The Statement is effective for financial instruments entered into or modified after May 31, 2003. It applies in the first interim period beginning after June 15, 2003, to entities with financial instruments acquired before May 31, 2003. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In December 2003, the FASB issued SFAS No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits." This Statement retains the disclosure requirements contained in the original FASB Statement No. 132, "Employers' Disclosures about Pensions and Other Post retirement Benefits," which it replaces and requires additional disclosures about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. It does not change the measurement of recognition of those plans required by FASB Statements No. 87, "Employers' Accounting for Pensions," No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," and No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The Statement is effective for annual and interim periods with fiscal years ending after December 15, 2003. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

Recent Development

On January 31, 2004, the Corporation completed the acquisition of all of the outstanding shares of Dy 4 Systems, Inc. ("Dy 4") from Solectron Corporation. The purchase price of the acquisition, subject to customary adjustments as provided for in the Stock Purchase Agreement, was $110 million in cash. Management funded the purchase with cash on hand and from the Corporation's revolving credit facilities. Revenues of the purchased business were $72 million for the year ended August 29, 2003. Dy 4 is based in Ottawa, Canada, and has additional operations

located in the United States and the United Kingdom. Management intends to incorporate the operations of Dy 4 into the Corporation's Motion Control segment.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Corporation is exposed to certain market risks from changes in interest rates and foreign currency exchange rates as a result of its global operating and financing activities. Although foreign currency translation had a favorable impact on sales and operating income in 2003, the Corporation seeks to minimize any material risks from foreign currency exchange rate fluctuations through its normal operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. The Corporation did not use such instruments for trading or other speculative purposes. The Corporation used interest rate swaps to manage interest rate exposures during the year ended December 31, 2003. Information regarding the Corporation's accounting policy on financial instruments is contained in Note 1-K to the Consolidated Financial Statements.

The Corporation's market risk for a change in interest rates relates primarily to the debt obligations. As a result of the September 25, 2003 Senior Notes issue and subsequent two interest rate swap agreements dated November 10, 2003, the Corporation shifted its interest rate exposure from 100% variable to 46% variable as of December 31, 2003. The net proceeds of the Senior Notes allowed the Corporation to pay down the majority of its outstanding debt under its credit facilities. This blended rate strategy for debt borrowings reduces the uncertainty of shifts in future interest rates. The variable rate on both the revolving credit agreements and the interest rate swap agreements are based on market rates. If interest rates changed by one percentage point, the impact on consolidated interest expense would have been approximately $1 million. Information regarding the Corporation's Senior Notes, Revolving Credit Agreement, and Interest Rates Swaps is contained in Note 12 to the Consolidated Financial Statements.

Financial instruments expose the Corporation to counter-party credit risk for non-performance and to market risk for changes in interest and foreign currency rates. The Corporation manages exposure to counter-party credit risk through specific minimum credit standards, diversification of counter-parties, and procedures to monitor concentrations of credit risk. The Corporation monitors the impact of market risk on the fair value and cash flows of its investments by investing primarily in investment grade interest bearing securities, which have short-term maturities. The Corporation attempts to minimize possible changes in interest rates by limiting the amount of potential interest and currency rate exposures to amounts that are not material to the Corporation's consolidated results of operations and cash flows.

Although the majority of the Corporation's sales, expenses, and cash flows are transacted in U.S. dollars, the Corporation does have some market risk exposure to changes in foreign currency exchange rates, primarily as it relates to the value of the U.S. dollar versus the British Pound, the Euro, the Canadian Dollar, and the Swiss Franc. If foreign exchange rates were to collectively weaken or strengthen against the dollar by 10%, net earnings would have been reduced or increased, respectively, by approximately $2 million as it relates exclusively to foreign currency exchange rate exposures.

REPORT OF THE CORPORATION

The consolidated financial statements appearing on pages 45 through 71 of this Annual Report have been prepared by the Corporation in conformity with accounting principles generally accepted in the United States of America. The financial statements necessarily include some amounts that are based on the best estimates and judgments of the Corporation. Other financial information in the Annual Report is consistent with that in the financial statements.

The Corporation maintains accounting systems, procedures, and internal accounting controls designed to provide reasonable assurance that assets are safeguarded and that transactions are executed in accordance with the appropriate corporate authorization and are properly recorded. The accounting systems and internal accounting controls are augmented by written policies and procedures; organizational structure providing for a division of responsibilities; selection and training of qualified personnel and an internal audit program. The design, monitoring, and revision of internal accounting control systems involve, among other things, management's judgment with respect to the relative cost and expected benefits of specific control measures.

Deloitte & Touche LLP, independent auditors, performed an audit that included obtaining an understanding of internal controls the sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The objective of their audit is the expression of an opinion on the fairness of the presentation of the Corporation's financial statements in conformity with accounting principles generally accepted in the United States of America, in all material respects.

The Audit Committee of the Board of Directors, composed entirely of directors who are independent of the Corporation, among other things, appoints the independent auditors for ratification by stockholders and considers the scope of the independent auditors' examination, the audit results and the adequacy of internal accounting controls of the Corporation. The independent auditors have direct access to the Audit Committee, and they meet with the committee from time to time, with and without management present, to discuss accounting, auditing, non-audit consulting services, internal control, and financial reporting matters.

CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

On March 21, 2003, Curtiss-Wright Corporation replaced PricewaterhouseCoopers LLP ("PwC") as the Corporation's principal accountants. The decision to change principal accountants was approved by the Audit Committee of the Board of Directors.

In connection with the audits of the two fiscal years ended December 31, 2002 and 2001 and to the date of change, there were no disagreements with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to PwC's satisfaction, would have caused PwC to make reference to the subject matter of the disagreement in connection with its reports.

The audit reports of PwC on the financial statements of the Corporation as of and for the years ended December 31, 2002 and 2001 did not contain an adverse opinion or disclaimer of opinion, nor were the reports qualified or modified as to audit scope or accounting principles.

During the two most recent fiscal years and through the date of change, there were no reportable events (as defined in Regulation S-K Item 304 (a)(1)(v)).

The Corporation requested that PwC furnish it with a letter addressed to the United States Securities and Exchange Commission stating whether or not it agreed with the above statements. A copy of such letter, dated March 25, 2003 is filed as Exhibit 16.1 to the Corporation's Form 8-K filed with the SEC on March 26, 2003.

On March 21, 2003, the Corporation appointed Deloitte & Touche, LLP as the Corporation's new principal accountants for the fiscal year 2003 subject to their normal new client acceptance procedures. Prior to its appointment, the Corporation did not consult with Deloitte & Touche, LLP regarding any matters or events set forth in Items 304 (a)(2)(i) and (ii) of Regulation S-K of the Securities Exchange Act of 1934.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of Curtiss-Wright Corporation, Roseland, New Jersey

We have audited the accompanying consolidated balance sheet of Curtiss-Wright Corporation and subsidiaries as of December 31, 2003, and the related consolidated statements of earnings, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Parsippany, New Jersey
February 20, 2004

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Curtiss-Wright Corporation

In our opinion, the accompanying consolidated balance sheet as of December 31, 2002 and the related consolidated statements of earnings, stockholders' equity and of cash flows for each of the two years in the period ended December 31, 2002, present fairly, in all material respects, the financial position, results of operations and cash flows of Curtiss-Wright Corporation and its subsidiaries at December 31, 2002 and for each of the two years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Notes 1-J and 8 to the Consolidated Financial Statements, effective January 1, 2002, Curtiss-Wright Corporation changed its method of accounting for goodwill and other intangibles.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Florham Park, New Jersey
March 12, 2003

CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31, (In thousands, except per share data)	2003	2002	2001
Net sales	$ 746,071	$ 513,278	$ 343,167
Cost of sales	505,153	337,192	215,350
Gross profit	240,918	176,086	127,817
Research and development costs	(22,111)	(11,624)	(4,383)
Selling expenses	(38,816)	(29,553)	(18,325)
General and administrative expenses	(90,849)	(71,843)	(60,764)
Pension income, net	1,611	7,208	11,042
Gain from insurance company demutualization	--	--	2,980
Environmental remediation and administrative expenses, net	(1,423)	(1,237)	(167)
Operating income	89,330	69,037	58,200
Interest expense	(5,663)	(1,810)	(1,180)
Gain on sale of real property	--	681	38,882
Rental income, net	--	148	3,585
Other income, net	389	3,679	2,710
Earnings before income taxes	84,056	71,735	102,197
Provision for income taxes	(31,788)	(26,599)	(39,317)
Net earnings	$ 52,268	$ 45,136	$ 62,880
NET EARNINGS PER SHARE:			
Basic earnings per share	$ 2.53	$ 2.21	$ 3.12
Diluted earnings per share	$ 2.50	$ 2.16	$ 3.07

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

At December 31, (In thousands)	2003	2002
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 98,672	$ 47,717
Receivables, net	143,362	135,734
Inventories, net	97,880	84,568
Deferred tax assets, net	23,630	21,840
Other current assets	10,979	9,005
Total current assets	374,523	298,864
Property, plant, and equipment, net	238,139	219,049
Prepaid pension costs	77,877	76,072
Goodwill	220,058	181,101
Other intangible assets, net	48,268	21,982
Other assets	14,800	13,034
Total assets	$973,665	$810,102
LIABILITIES:		
Current liabilities:		
Short-term debt	$ 997	$ 32,837
Accounts payable	43,776	41,344
Accrued expenses	44,938	32,446
Income taxes payable	6,748	4,528
Other current liabilities	39,424	50,472
Total current liabilities	135,883	161,627
Long-term debt	224,151	119,041
Deferred tax liabilities, net	21,798	6,605
Accrued pension and other postretirement benefit costs	75,633	77,438
Long-term portion of environmental reserves	21,083	22,585
Other liabilities	16,236	11,578
Total liabilities	494,784	398,874
CONTINGENCIES AND COMMITMENTS (Notes 12, 15, 17 & 19)		
STOCKHOLDERS' EQUITY:		
Preferred stock, $1 par value, 650,000 shares authorized, none issued	--	--
Common stock, $1 par value, 33,750,000 and 11,250,000 shares authorized at December 31, 2003 and 2002, respectively, 16,611,464 and 10,617,600 shares issued at December 31, 2003 and 2002, respectively; outstanding shares were 12,021,610 at December 31, 2003 and 5,890,177 at December 31, 2002	16,611	10,618
Class B common stock, $1 par value, 11,250,000 shares authorized; 8,764,800 and 4,382,400 shares issued at December 31, 2003 and 2002, respectively; outstanding shares were 8,764,246 at December 31, 2003 and 4,382,116 at December 31, 2002	8,765	4,382
Additional paid-in capital	52,998	52,200
Retained earnings	543,670	508,298
Unearned portion of restricted stock	(55)	(60)
Accumulated other comprehensive income	22,634	6,482
	644,623	581,920
Less: Common treasury stock, at cost (4,590,408 shares at December 31, 2003 and 4,727,707 shares at December 31, 2002)	(165,742)	(170,692)
Total stockholders' equity	478,881	411,228
Total liabilities and stockholders' equity	$973,665	$810,102

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, (In thousands)	2003	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 52,268	$ 45,136	$ 62,880
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	31,327	18,693	14,734
Non-cash pension income	(1,611)	(7,208)	(11,042)
Net loss (gain) on sales and disposals of real estate and equipment	359	(681)	(39,018)
Deferred income taxes	6,035	4,011	4,167
Changes in operating assets and liabilities, net of businesses acquired:			
Proceeds from sales of short-term investments	--	77,050	348,911
Purchases of short-term investments	--	(35,600)	(327,761)
(Increase) decrease in receivables	(5,958)	31	(7,203)
Decrease (increase) in inventories	1,893	197	(3,232)
Increase in progress payments	1,967	3,464	4,186
Increase (decrease) in accounts payable and accrued expenses	9,343	(61)	(2,831)
Decrease in deferred revenue	(10,070)	(2,820)	(422)
Increase (decrease) in income taxes payable	3,240	(11,101)	12,694
Pension contributions	(5,729)	--	--
Increase in other current and long-term assets	(963)	(3,254)	(2,051)
Increase in other current and long-term liabilities	995	2,156	7,185
Other, net	428	(228)	63
Total adjustments	31,256	44,649	(1,620)
Net cash provided by operating activities	83,524	89,785	61,620
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales and disposals of real estate and equipment	1,132	2,447	45,201
Additions to property, plant, and equipment	(33,329)	(34,954)	(19,354)
Acquisition of new businesses, net of cash acquired	(71,368)	(164,661)	(58,982)
Net cash used for investing activities	(103,565)	(197,168)	(33,135)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of debt	384,712	220,400	--
Principal payments on debt	(314,204)	(92,795)	(8,228)
Reimbursement of recapitalization expenses	--	--	1,750
Proceeds from exercise of stock options	3,868	6,226	1,804
Dividends paid	(6,520)	(6,141)	(5,443)
Net cash provided by (used for) financing activities	67,856	127,690	(10,117)
Effect of foreign currency	3,140	1,915	(1,205)
Net increase in cash and cash equivalents	50,955	22,222	16,803
Cash and cash equivalents at beginning of year	47,717	25,495	8,692
Cash and cash equivalents at end of year	$ 98,672	$ 47,717	$ 25,495
Supplemental disclosure of non-cash investing activities:			
Fair value of assets acquired	$ 85,578	$321,450	$ 78,979
Liabilities assumed	(13,375)	(155,623)	(14,829)
Less: Cash acquired	(835)	(1,166)	(5,168)
Net cash paid	$ 71,368	$164,661	$ 58,982

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)	Common Stock	Class B Common Stock	Additional Paid in Capital	Retained Earnings	Unearned Portion of Restricted Stock Awards	Accumulated Other Comprehensive Income (Loss)
JANUARY 1, 2001	$15,000	$ --	$51,506	$411,866	$(22)	$(5,626)
Comprehensive income:						
Net earnings	--	--	--	62,880	--	--
Translation adjustments, net	--	--	--	--	--	(1,205)
Total comprehensive income						
Dividends paid	--	--	--	(5,443)	--	--
Stock options exercised, net	--	--	(730)	--	--	--
Restricted stock awards	--	--	6	--	(77)	--
Amortization of earned portion of restricted stock awards	--	--	--	--	21	--
Recapitalization	(4,382)	4,382	1,750	--	--	--
DECEMBER 31, 2001	10,618	4,382	52,532	469,303	(78)	(6,831)
Comprehensive income:						
Net earnings	--	--	--	45,136	--	--
Translation adjustments, net	--	--	--	--	--	13,313
Total comprehensive income						
Dividends paid	--	--	--	(6,141)	--	--
Stock options exercised, net	--	--	(332)	--	--	--
Amortization of earned portion of restricted stock awards	--	--	--	--	18	--
DECEMBER 31, 2002	10,618	4,382	52,200	508,298	(60)	6,482
Comprehensive income:						
Net earnings	--	--	--	52,268	--	--
Translation adjustments, net	--	--	--	--	--	16,152
Total comprehensive income						
Dividends paid	--	--	--	(6,520)	--	--
Stock options exercised, net	--	--	741	--	--	--
Other	--	--	57	--	5	--
Two-for-one common stock split effected in the form of a 100% stock dividend	5,993	4,383	--	(10,376)	--	--
DECEMBER 31, 2003	$16,611	$8,765	$52,998	$543,670	$(55)	$22,634

See notes to consolidated financial statements.

(In thousands)	Comprehensive Income	Treasury Stock
JANUARY 1, 2001		$(182,500)
Comprehensive income:		
Net earnings	$62,880	--
Translation adjustments, net	(1,205)	--
Total comprehensive income	$61,675	
Dividends paid		--
Stock options exercised, net		2,456
Restricted stock awards		72
Amortization of earned portion of restricted stock awards		--
Recapitalization		--

DECEMBER 31, 2001		(179,972)
Comprehensive income:		
Net earnings	$45,136	--
Translation adjustments, net	13,313	--
Total comprehensive income	$58,449	
Dividends paid		--
Stock options exercised, net		9,280
Amortization of earned portion of restricted stock awards		--
DECEMBER 31, 2002		(170,692)
Comprehensive income:		
Net earnings	$52,268	--
Translation adjustments, net	16,152	--
Total comprehensive income	$68,420	
Dividends paid		--
Stock options exercised, net		4,812
Other		138
Two-for-one common stock split effected in the form of a 100% stock dividend		--
DECEMBER 31, 2003		$(165,742)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Curtiss-Wright Corporation and its subsidiaries (the "Corporation") is a diversified multinational manufacturing and service company that designs, manufactures, and overhauls precision components and systems and provides highly engineered products and services to the aerospace, defense, automotive, shipbuilding, processing, oil, petrochemical, agricultural equipment, railroad, power generation, security, and metalworking industries. Operations are conducted through 24 manufacturing facilities, 53 metal treatment service facilities, and 2 aerospace component overhaul and repair locations.

A. Principles of Consolidation

The consolidated financial statements include the accounts of Curtiss-Wright and its majority-owned subsidiaries. All material intercompany transactions and accounts have been eliminated. Certain prior year information has been reclassified to conform to current presentation.

B. Use of Estimates

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

C. Revenue Recognition

The realization of revenue refers to the timing of its recognition in the accounts of the Corporation and is generally considered realized or realizable and earned when the earnings process is substantially complete and all of the following criteria are met: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred or services have been rendered; 3) the Corporation's price to its customer is fixed or determinable; and 4) collectibility is reasonably assured.

The Corporation records sales and related profits on production and service type contracts as units are shipped and title and risk of loss have transferred or as services are rendered, net of estimated returns and allowances. Sales and estimated profits under certain long-term contracts are recognized under the percentage-of-completion methods of accounting, whereby profits are recorded pro rata, based upon current estimates of direct and indirect costs to complete such contracts.

In addition, the Corporation also records sales under certain long-term government fixed price contracts upon achievement of performance milestones as specified in the related contracts or under the completed contract method. Losses on contracts are provided for in the period in which the losses become determinable. Revisions in profit estimates are reflected on a cumulative basis in the period in which the basis for such revision becomes known. Deferred revenue represents the excess of the billings over cost and estimated earnings on long-term contracts.

D. Cash and Cash Equivalents

Cash equivalents consist of money market funds and commercial paper that are readily convertible into cash, all with original maturity dates of three months or less.

E. Inventory

Inventories are stated at lower of production cost (principally average cost) or market. Production costs are comprised of direct material and labor and applicable manufacturing overhead.

F. Progress Payments

Certain long-term contracts provide for the interim billings as costs are incurred on the respective contracts. Pursuant to contract provisions, agencies of the U.S. government and other customers are granted title or a secured interest in the unbilled costs included in unbilled receivables, and materials and work-in-process included in inventory to the extent of progress payments. Accordingly, these progress payments received have been reported as a reduction of unbilled receivables and inventories, as presented in Notes 5 and 6.

G. Property, Plant, and Equipment

Property, plant, and equipment are carried at cost less accumulated depreciation. Major renewals and betterments are capitalized, while maintenance and repairs that do not improve or extend the life of the asset are expensed in the period they are incurred. Depreciation is

computed using the straight-line method based upon the estimated useful lives of the respective assets.

Average useful lives for property, plant, and equipment are as follows:

Buildings and improvements 5 to 40 years Machinery, equipment, and other 3 to 15 years

H. Intangible Assets

Intangible assets are generally the result of acquisitions and consist primarily of purchased technology, customer related intangibles, trademarks and service marks, and technology licenses. The Corporation amortizes such assets ratably, to match their cash flow streams, over their estimated useful lives. Useful lives range from 1 to 20 years. See Note 9 for further information on other intangible assets.

I. Impairment of Long-Lived Assets

The Corporation reviews the recoverability of all long-term assets, including the related useful lives, whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset might not be recoverable. If required, the Corporation compares the estimated undiscounted future net cash flows to the related asset's carrying value to determine whether there has been an impairment. If an asset is considered impaired, the asset is written down to fair value, which is based either on discounted cash flows or appraised values in the period the impairment becomes known. There were no such write-downs in 2003, 2002, or 2001.

J. Goodwill

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

Upon adoption of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," on January 1, 2002, the Corporation no longer amortizes goodwill. Additionally, the recoverability of goodwill is subject to an annual impairment test, or whenever an event occurs or circumstances change that would more likely than not result in an impairment. The impairment test is based on the estimated fair value of the underlying businesses. See Note 8 for further information on goodwill.

K. Fair Value of Financial Instruments

SFAS No. 107, "Disclosure About Fair Value of Financial Instruments," requires certain disclosures regarding the fair value of financial instruments. Due to the short maturities of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, the net book value of these financial instruments are deemed to approximate fair value.

The estimated fair values of the Corporation's long-term debt instruments at December 31, 2003 aggregated $226.6 million compared to a carrying value of $225.1 million. The carrying amount of the variable interest rate long-term debt approximates fair value because the interest rates are reset periodically to reflect current market conditions. Fair values for the Corporation's fixed rate debt were estimated based on valuations provided by third parties in accordance with their proprietary models.

The carrying amount of the interest rate swaps reflects their fair value as provided by third parties in accordance with their proprietary models.

The fair values described above may not be indicative of net realizable value or reflective of future fair values. Furthermore, the use of different methodologies to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

L. Research and Development

The Corporation funds research and development programs for commercial products and independent research and development and bid and proposal work related to government contracts. Development costs include engineering and field support for new customer requirements. Corporation-sponsored research and development costs are expensed as incurred.

Research and development costs associated with customer-sponsored programs are charged to inventory and are recorded in cost of sales when products are delivered or services performed.

M. Environmental Costs

The Corporation establishes a reserve for a potential environmental remediation liability when it concludes that a determination of legal liability is probable, based upon the advice of counsel. Such amounts, if quantifiable, 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, which are reviewed quarterly, represent the current value of anticip ated remediation costs, not recognizing any potential recovery from insurance carriers or third-party legal actions, and are not discounted.

N. Accounting for Stock-Based Compensation

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

Pro forma information regarding net earnings and earnings per share is required by SFAS No. 123 and has been determined as if the Corporation had accounted for its employee stock option grants under the fair value method prescribed by that Statement. Information with regard to the number of options granted, market price of the grants, vesting requirements, and the maximum term of the options granted appears by plan type in the sections below. The fair value of these options was estimated at the date of grant using a Black-Scholes option

pricing model with the following weighted average assumptions:

	2003	2002	2001
Risk-free interest rate	3.68%	3.61%	4.66%
Expected volatility	31.68%	31.33%	24.18%
Expected dividend yield	0.94%	0.92%	1.37%
Weighted-average option life	7 years	7 years	7 years
Weighted-average grant-date fair value of options	$13.97	$11.81	$6.79

The estimated fair value of the option grants are amortized to expense over the options' vesting period beginning January 1 of the following year, due to the timing of the grants. The Corporation's pro forma information for the years ended December 31, 2003, 2002, and 2001 is as follows:

(In thousands, except per share data)	2003	2002	2001
NET EARNINGS: AS REPORTED	$ 52,268	$ 45,136	$ 62,880
Deduct:			
Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(1,261)	(1,524)	(1,197)
Pro forma	$ 51,007	$ 43,612	$ 61,683
NET EARNINGS PER SHARE:			
As reported:			
Basic	$ 2.53	$ 2.21	$ 3.12
Diluted	$ 2.50	$ 2.16	$ 3.07
Pro forma:			
Basic	$ 2.47	$ 2.14	$ 3.07
Diluted	$ 2.44	$ 2.09	$ 3.01

The Corporation receives tax deductions related to the exercise of non-qualified stock options, the offset of which is recorded in equity. The tax benefit totaled $1.7 million, $2.7 million, and $0.5 million in 2003, 2002, and 2001, respectively. Further information concerning options granted under the Corporation's Long-Term Incentive Plan is provided in Note 14.

O. Capital Stock

On May 23, 2003, the stockholders approved an increase in the number of authorized shares of the Corporation's Common Stock from 11,250,000 to 33,750,000. On November 18, 2003, the Board of Directors declared a 2-for-1 stock split in the form of a 100% stock dividend. The split, in the form of 1 share of Common Stock for each share of Common Stock outstanding and 1 share of Class B Common Stock for each share of Class B Common Stock outstanding, was payable on December 17, 2003. To effectuate the stock split, the Corporation issued 5,993,864 original shares of Common Stock and 4,382,400 original shares of Class B Common Stock, at $1.00 par value from capital surplus, with a corresponding reduction in retained earnings of $10.4 million. Accordingly, all references throughout this annual report to number of shares, per share amounts, stock options data and market prices of the Corporation's two classes of common stock have been adjusted to reflect the effect of the stock split for all periods presented, where applicable.

In February 2001, the Corporation increased the authorized number of shares for repurchase under its existing stock repurchase program by 600,000 shares. This increase was an addition to the previous authorization of 300,000 shares. Purchases were authorized to be made from time to time in the open market or privately negotiated transactions, depending on market and other conditions, whenever management believes that the market price of the stock does not adequately reflect the true value of the Corporation and, therefore, represented an attractive investment opportunity. The shares are held at cost and reissuance is recorded at the weighted average cost. Through December 31, 2003, the Corporation had repurchased 210,930 shares under this program. There was no stock repurchased during 2003 and 2002.

P. Earnings Per Share

The Corporation is required to report both basic earnings per share ("EPS"), based on the weighted average number of Common and Class B shares outstanding, and diluted earnings per share, based on the basic EPS adjusted for all potentially dilutive shares issuable. The calculation of EPS is disclosed in Note 13.

Q. Income Taxes

The Corporation applies SFAS No. 109, "Accounting for Income Taxes." Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax laws is recognized in the results of operations in the period the new laws are enacted. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that such assets will be realized.

R. Foreign Currency Translation

For operations outside the United States of America that prepare financial statements in currencies other than the U.S. dollar, the Corporation

translates assets and liabilities at period-end exchange rates and income statement amounts using weighted average exchange rates for the period. The cumulative effect of translation adjustments is presented as a component of accumulated other comprehensive income within stockholders' equity. This balance is affected by foreign currency exchange rate fluctuations and by the acquisition of foreign entities. Gains and losses from foreign currency transactions are included in results of operations.

S. Derivatives

The Corporation uses interest rate swaps to manage its exposure to fluctuations in interest rates on a portion of its fixed rate debt instruments. The interest rate swap agreements are accounted for as fair value hedges. The derivatives have been recorded at fair value on the balance sheet within other non-current assets with changes in fair value recorded currently in earnings. Additionally, the carrying amount of the associated debt is adjusted through earnings for changes in fair value due to changes in interest rates. Ineffectiveness is recognized to the extent that these two adjustments do not offset. For the year ended December 31, 2003, the derivatives were assumed to be perfectly effective under the "short-cut method" of SFAS 133. The differential to be paid or received based on changes in interest rates is recorded as an adjustment to interest expense in the statement of earnings. Additional information on these swap agreements is presented in Note 12.

T. Recently Issued Accounting Standards

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations." This statement addresses financial accounting and reporting obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The statement requires the Corporation to recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate can be made. Upon initial recognition of such a liability, if any, the Corporation would capitalize the asset retirement cost as an asset equal to the fair value of the liability and allocate such cost to expense systematically over the useful life of the underlying asset. The estimated future liability would be subject to change, with the effects of such change affecting the asset retirement cost and the related expense as appropriate. The provisions of this statement are effective for fiscal years beginning after June 15, 2002. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In June 2002, the FASB issued SFAS No. 146 "Accounting for Costs Associated with Exit or Disposal Activities." This statement applies to costs associated with exit or disposal activities and requires that liabilities for costs associated with these activities be recognized and measured initially at its fair value in the period in which the liability is incurred. The provisions of this statement are effective for exit or disposal activities initiated after December 31, 2002. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In November 2002, the FASB issued Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation relates to a guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. This interpretation requires the issuer of a guarantee to recognize a liability at the inception of that guarantee. The Corporation is required to apply the interpretation to all guarantees issued or modified after December 31, 2002. The disclosure requirements of this interpretation are effective for financial statements of interim and annual periods ending after December 15, 2002. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation--Transition and Disclosure." This statement provides alternate methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, the statement requires additional disclosures about the methods of accounting for stock-based employee compensation and the effect of the method used on reported results. The provisions of this statement are effective for fiscal years beginning after December 15, 2002. The Corporation intends on continuing to account for its stock options under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and thus the adoption of the new standard did not have a material impact on the Corporation's results of operation or financial condition.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities ("VIE"s)" ("FIN 46"). This interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," addresses when a company should include in its financial statements the assets and liabilities of unconsolidated VIEs. FIN 46 was effective for VIEs created or acquired after January 31, 2003. The Corporation is not party to any contractual arrangements with VIEs and thus the adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In December 2003, the FASB completed deliberations of proposed modifications to FIN 46 ("Revised Interpretations") resulting in multiple effective dates based on the nature as well as the creation date of the VIE. The Corporation does not anticipate that the adoption of this statement will have a material impact on the Corporation's results of operation or financial condition.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). The Statement is effective for financial instruments entered into or modified after May 31, 2003. It applies in the first interim period beginning after June 15, 2003, to entities with financial instruments acquired before May 31, 2003. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

In December 2003, the FASB issued SFAS No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits." This Statement retains the disclosure requirements contained in the original FASB Statement No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits," which it replaces and requires additional disclosures about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. It does not change the measurement of recognition of those plans required by FASB Statements No. 87, "Employers' Accounting for Pensions," No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits," and No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The Statement is effective for annual and interim periods with fiscal years ending after December 15, 2003. The adoption of this statement did not have a material impact on the Corporation's results of operation or financial condition.

2. Acquisitions

The Corporation acquired six businesses in 2003, six businesses in 2002, and seven businesses in 2001 as described below. All acquisitions have been accounted for as purchases with the excess of the purchase price over the estimated fair value of the net tangible and intangible assets acquired recorded as goodwill. The Corporation makes preliminary estimates of the value of identifiable intangibles with a finite life and records amortization based upon the estimated useful life of those intangible assets identified. Within one year of acquisition, the Corporation

will adjust these estimates based upon

analysis of third party appraisals and the determination of fair value when finalized. The Corporation does not consider the 2003 acquisitions to be material, individually or in the aggregate, to its financial position, liquidity, or results of operations, and therefore no pro forma financial statements are provided. The results of each acquired business have been included in the consolidated financial results of the Corporation from the date of acquisition in the segment indicated as follows:

Motion Control

NOVATRONICS/PICKERING

On December 4, 2003, the Corporation acquired all of the outstanding shares of Novatronics Inc. ("Novatronics") and Pickering Controls Inc. ("Pickering") in a single transaction. The purchase price of the acquisition, subject to a working capital adjustment and other customary adjustments as provided in the Stock Purchase Agreement, was $13.6 million in cash and the assumption of certain liabilities. There are provisions in the agreement for an additional payment in 2006 upon the achievement of certain financial performance criteria up to a maximum of $2.3 million. Management funded the purchase price with proceeds from the Senior Notes issued in September 2003. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $5.3 million. The fair value of the net assets acquired was based on current estimates. The Corporation may adjust these estimates based upon analysis of third party appraisals and the final determination of fair value. Revenues of the purchased business were $12.0 million for the year ended December 31, 2002.

Novatronics and Pickering design and manufacture electric motors and position sensors (both linear and rotary) for the commercial aerospace, military aerospace, and industrial markets. Novatronics has operating facilities located in Stratford, Ontario, Canada, while Pickering is located in Plainview, New York.

SYSTRAN CORPORATION

On December 1, 2003, the Corporation acquired all of the outstanding shares of Systran Corporation ("Systran"). The purchase price of the acquisition, subject to a working capital adjustment and other customary adjustments as provided for in the Stock Purchase Agreement, was $18.0 million in cash and the assumption of certain liabilities. Management funded the purchase price with proceeds from the Senior Notes issued in September 2003. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $9.3 million. The fair value of the net assets acquired was based on current estimates. The Corporation may adjust these estimates based upon analysis of third party appraisals and the final determination of fair value. Revenues of the purchased business were $15.1 million for the year ended September 30, 2003.

Systran is a leading supplier of highly specialized, high performance data communications products for real-time systems, primarily for the aerospace and defense, industrial automation, and medical imaging markets. Key applications include simulation, process control, advanced digital signal processing, data acquisition, image processing, and test and measurement. Systran's operations are located in Dayton, Ohio.

PERITEK CORPORATION

On August 1, 2003, the Corporation acquired the assets and certain liabilities of Peritek Corporation ("Peritek"). The purchase price of the acquisition was $3.2 million in cash and the assumption of certain liabilities. The Corporation paid $1.5 million at closing, which was funded from cash available from operations, and will pay the remaining purchase price subject to a promissory note of $1.2 million and settlement of a holdback provision of $0.3 million. The holdback amount is held as security for potential indemnification claims. Any amount of holdback remaining after claims for indemnification have been settled will be paid nineteen months after the acquisition date. The purchase price of the acquisition approximates the fair value of the net assets acquired as of December 31, 2003, which includes developed technology of approximately $2.6 million. Revenues of the purchased business for the fiscal year ending March 31, 2003 were $2.7 million.

Peritek is a leading supplier of video and graphic display boards for the embedded computing industry and supplies a variety of industries including aviation, defense, and medical. In addition, Peritek supplies products for bomb detection, industrial automation, and medical imaging applications. Peritek's operations are located in Oakland, California.

COLLINS TECHNOLOGIES

On February 28, 2003, the Corporation acquired the assets of Collins Technologies ("Collins") from G.L. Collins Corporation. The purchase price of the acquisition was $11.8 million in cash and the assumption of certain liabilities. Included in the purchase price is $0.5 million held as security for potential indemnification claims. Any amount of holdback remaining after claims for indemnification have been settled will be paid one year after the acquisition date. Management funded the purchase price from credit available under the Corporation's Short-Term Credit Agreement. The excess of the purchase price, excluding the holdback, over the fair value of the net assets acquired as of December 31, 2003 is $6.8 million. The fair value of the net assets acquired was based on current estimates. The Corporation may adjust these estimates based upon analysis of third party appraisals and the final determination of fair value. Revenues of the purchased business were $8.3 million for the year ended March 31, 2002.

Collins designs and manufactures Linear Variable Displacement Transducers ("LVDTs"), primarily for aerospace flight and engine control applications. Industrial LVDTs are used mostly in industrial automation and test applications. Collins' operations are located in Long Beach, California.

PENNY & GILES/AUTRONICS

On April 1, 2002, the Corporation acquired all of the outstanding shares of Penny and Giles Controls Ltd., Penny and Giles Controls Inc., Penny and Giles Aerospace Ltd., the assets of Penny & Giles International Plc. devoted to its aerospace component business (collectively "Penny and Giles"), and substantially all of the assets of Autronics Corporation ("Autronics") from Spirent Plc. The purchase price of the acquisition was $59.5 million in cash and the assumption of certain liabilities. Approximately $40 million of the purchase price was funded from the Corporation's Revolving Credit facility. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $32.5 million, including foreign currency translation adjustment gains of $4.8 million.

Penny and Giles is a designer and manufacturer of proprietary position sensors and control hardware for both military and commercial aerospace applications and industrial markets. Autronics is a leading provider of aerospace fire detection and suppression control systems, power conversion products, and control electronics. The acquired business units are located in Wales, England, Germany, and the United States of America.

LAU DEFENSE SYSTEMS/VISTA CONTROLS

On November 1, 2001 the Corporation acquired the assets of Lau Defense Systems ("LDS") and the stock of Vista Controls, Inc. ("Vista"). LDS and Vista design and manufacture "mission-critical" electronic control systems primarily for the defense market. In addition, an agreement was reached for the negotiation of licenses for facial recognition products for certain U.S. Government and industrial markets. The businesses acquired have operating facilities located in Littleton, Massachusetts and Santa Clarita, California.

The purchase price of the acquisition was $44.8 million in cash and the assumption of certain liabilities. There are provisions in the agreement for additional payments upon the achievement of certain financial performance criteria through 2006 up to a maximum additional payment of $22.0 million. During 2003, the Corporation had paid $1.8 million in cash and accrued an additional $1.2 million related to these provisions, which have been reflected in the purchase price above. This acquisition was accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $35.8 million.

Flow Control

TAPCO INTERNATIONAL

On December 3, 2002, the Corporation acquired the assets of TAPCO International, Inc., ("TAPCO") for $12.0 million in cash and the assumption of certain liabilities. The acquisition was accounted for as a purchase in the fourth quarter of 2002 and was funded from the Corporation's revolving credit facilities. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $6.4 million.

TAPCO designs, engineers, and manufactures high-performance metal seated industrial gate valves, butterfly valves, flapper valves, actuators, and internal components used in high-temperature, highly abrasive, and highly corrosive environments in the petrochemical refining industry. Operations are located in Houston, Texas with a minor operation in the UK to serve the European market.

ELECTRO-MECHANICAL DIVISION

On October 28, 2002, the Corporation acquired the net assets of the Electro Mechanical Division ("EMD") of Westinghouse Government Services Company LLC, a wholly-owned subsidiary of Washington Group International. The purchase price of the acquisition, which includes capitalized acquisition costs, was $79.9 million in cash and the assumption of certain liabilities and is subject to a working capital adjustment and other customary adjustments as provided for in the Asset Purchase Agreement. The acquisition was accounted for as a purchase in the fourth quarter of 2002 and was funded from the Corporation's revolving credit facilities. The purchase price has been allocated to the net tangible and intangible assets acquired as of December 31, 2003, with the remainder recorded as goodwill, on the basis of estimated fair values, as follows:

(In thousands)

Net working capital	$ 455
Property, plant and equipment	70,474
Other assets	40,423
Postretirement benefit obligation	(36,344)
Pension benefit obligation	(38,626)
Other noncurrent liabilities	(13,881)
Intangible assets	6,970
Net tangible and intangible assets	$ 29,471
Purchase price	79,858

Goodwill	$ 50,387

EMD is a designer and manufacturer of highly engineered critical function electro-mechanical solutions for the U.S. Navy, commercial nuclear power utilities, petrochemical, and hazardous waste industries. Operations are located in Cheswick, Pennsylvania.

DELTAVALVE

On December 12, 2001, the Corporation acquired the operating assets of Deltavalve USA, LLC ("Deltavalve"). Deltavalve designs, engineers, and manufactures industrial valves used in high pressure, extreme temperature, and corrosive plant environments. Deltavalve is located in Salt Lake City, Utah with an assembly and test facility in Calgary, Alberta, Canada.

The Corporation acquired the net assets of Deltavalve for $6.5 million in cash, plus the assumption of certain liabilities. There are provisions in the agreement for additional payments upon the achievement of certain financial performance criteria through 2006. This acquisition was accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $3.9 million.

PEERLESS INSTRUMENT COMPANY

On November 8, 2001, the Corporation acquired the stock of Peerless Instrument Co., Inc. ("Peerless"). Peerless is an engineering and manufacturing company that designs and produces custom control components and systems for flow control applications primarily for the U.S. Nuclear Naval program. The purchased business was located in Elmhurst, New York, but has subsequently been relocated to the Corporation's facility in East Farmingdale, New York. The purchase price of the acquisition was $7.0 million in cash plus the assumption of certain liabilities. This acquisition was accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $2.0 million.

SOLENT & PRATT

On March 23, 2001, the Corporation acquired the operating assets of Solent & Pratt Ltd. ("Solent & Pratt"). Solent & Pratt is a manufacturer of high performance butterfly valves and is a global supplier to the petroleum, petrochemical, chemical, and process industries. The operations are located in Bridport, England.

The Corporation purchased the assets of Solent & Pratt for $2.4 million in cash and the assumption of certain liabilities. There are provisions in the agreement for additional payments upon the achievement of certain performance criteria through 2006. During 2003, the Corporation had paid $0.9 million related to these provisions, which have been reflected in the purchase price above. The acquisition was accounted for as a purchase in the first quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $3.8 million, including foreign currency translation gains of $0.8 million.

Metal Treatment

E/M ENGINEERED COATINGS SOLUTIONS

On April 2, 2003, the Corporation purchased selected assets of E/M Engineered Coatings Solutions ("E/M Coatings"). The purchase price of the acquisition was $16.8 million in cash and the assumption of certain liabilities. The purchase price was funded from credit available under the Corporation's Short-Term Credit Agreement. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $5.8 million. The fair value of the net assets acquired was based on current estimates. The Corporation may adjust these estimates based upon analysis of third party appraisals and the final determination of fair value. Revenues of the purchased business were approximately $26 million for the year ended December 31, 2002.

The Corporation acquired six E/M Coatings facilities operating in Chicago, IL; Detroit, MI; Minneapolis, MN; Hartford, CT; and North Hollywood and Chatsworth, CA. Combined, these facilities are one of the leading providers of solid film lubricant coatings in the United States. The E/M Coatings facilities have the capability of applying over 1,100 different coatings to impart lubrication, corrosion resistance, and certain cosmetic and dielectric properties to selected components.

ADVANCED MATERIAL PROCESS

On March 11, 2003, the Corporation acquired selected net assets of Advanced Material Process Corp. ("AMP"), a private company with operations located in Wayne, Michigan. The purchase price of the acquisition was $5.9 million in cash and the assumption of certain liabilities. Included in the purchase price is $0.2 million held as security for potential indemnification claims. Any amount of holdback remaining after claims for indemnification have been settled will be paid one year after the acquisition date. There are provisions in the agreement for additional payments upon the achievement of certain financial performance criteria through 2008 up to a maximum additional payment of $1.0 million. Management funded the purchase from credit available under the Corporation's Short-Term Credit Agreement. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $2.8 million. The fair value of the net assets acquired was based on current estimates. The Corporation may adjust these estimates based upon analysis of third party appraisals and the final determination of fair value. Revenues of the purchased business were $5.1 million for the year ended December 31, 2002.

AMP is a supplier of commercial shot peening services primarily to the automotive market in the Detroit area.

BRENNER TOOL & DIE

On November 14, 2002, the Corporation acquired selected assets and liabilities of Brenner Tool and Die, Inc. ("Brenner") relating to Brenner's metal finishing operations in Bensalem, Pennsylvania. Brenner provides non-destructive testing, chemical milling, chromic and phosphoric anodizing, and painting services.

The purchase price of the acquisition was $10.0 million in cash, which approximated the fair value of the net assets acquired as of December 31, 2003. There are provisions in the agreement for additional payments upon the achievement of certain financial performance criteria through 2007 up to a maximum additional payment of $10.0 million.

YTSTRUKTUR ARBOGA AB

On April 11, 2002, the Corporation acquired 100% of the stock of Ytstruktur Arboga AB, a metal treatment business located in Arboga, Sweden. This business, specializing in controlled shot peening, non-destructive testing, and other metal finishing processes, services the Scandinavian market.

The purchase price of the acquisition was $1.2 million. The excess of the purchase price over the fair value of the net assets acquired as of December 31, 2003 is $1.5 million, including $0.5 million of foreign currency translation gains.

BODYCOTE THERMAL PROCESSING

On December 19, 2001, the Corporation acquired the Wichita, Kansas heat treating operation of Bodycote Thermal Processing. This operation provides heat treating services to a number of industries including aerospace and agriculture.

The purchase price of the acquisition was $3.6 million. This acquisition has been accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was $2.0 million.

IRONBOUND HEAT TREATING COMPANY

On November 6, 2001, the Corporation acquired the commercial heat treating assets of Ironbound Heat Treating Company ("Ironbound"). Ironbound provides heat treating services to markets that include tool and die, automotive, aerospace, and medical components. The business is located in Roselle, New Jersey.

The purchase price of the acquisition was $4.5 million in cash and the assumption of certain liabilities. This acquisition has been accounted for as a purchase in the fourth quarter of 2001. The excess of the purchase price over the fair value of the net assets acquired was $0.8 million.

3. Divestitures

On December 20, 2001, the Corporation sold its Wood-Ridge, New Jersey Business Complex for $51.0 million. The business complex comprised 2.3 million square feet of rental space situated on 138 acres of land. As a result of the sale, the Corporation recognized a net after-tax gain of $23.0 million during 2001.

Under the sale agreement, the Corporation will retain the responsibility to continue the ongoing environmental remediation on the property until such time that a "no further action" letter and covenant not to sue is obtained from the New Jersey Department of Environmental Protection. The cost of the remediation has been previously accrued. Please refer to Note 15 for additional information regarding environmental matters.

4. Recapitalization

On October 26, 2001, the Corporation's shareholders approved a recapitalization plan, which enabled Unitrin Inc. ("Unitrin") to distribute its approximate 44% equity interest in Curtiss-Wright to its shareholders on a tax-free basis.

Under the recapitalization plan, and in order to meet certain tax requirements, Unitrin's 4.4 million shares of the Corporation's common stock were exchanged for an equivalent number of shares of a new Class B Common Stock of Curtiss-Wright, which are entitled to elect 80% of Curtiss-Wright's Board of Directors. After such exchange, Unitrin immediately distributed the Class B shares to its approximately 8,000 registered stockholders in a tax-free distribution. The holders of the outstanding Common shares of Curtiss-Wright are entitled to elect up to 20% of the Board of Directors after the distribution. Other than the right to elect Directors, the two classes of stock vote as a single class (except as required by law) and are equal in all other respects. The new Class B Common Stock was listed on the New York Stock Exchange, effective November 29, 2001.

In November 2000, Curtiss-Wright's Board of Directors had approved an agreement with Unitrin related to the recapitalization plan. Under this agreement, Unitrin agreed to reimburse the Corporation for certain costs incurred in connection with the recapitalization up to a maximum of $1.75 million. The maximum amount was received subsequent to the recapitalization and is reflected in the financial statements as Additional

Paid-In Capital. Recapitalization costs of $1.5 million and $0.9 million were incurred in 2001 and 2000, respectively, and are included in general and administrative costs in the statement of earnings.

5. Receivables

Receivables include current notes, amounts billed to customers, claims and other receivables, and unbilled revenue on long-term contracts, consisting of amounts recognized as sales but not billed. Substantially all amounts of unbilled receivables are expected to be billed and collected in the subsequent year.

Credit risk is generally diversified due to the large number of entities comprising the Corporation's customer base and their geographic dispersion. The Corporation is either a prime contractor or subcontractor of various agencies of the U.S. Government. Revenues derived directly and indirectly from government sources (primarily the U.S. Government) were 46%, 41% and 25% of consolidated revenues in 2003, 2002, and 2001, respectively. As of December 31, 2003 and 2002, accounts receivable due directly or indirectly from these government sources represented 34% and 36% of net receivables, respectively. Sales to one customer through which the Corporation is a subcontractor to the U.S. Government were 16% of consolidated revenues in 2003, 10% in 2002, and 6% in 2001. Accounts receivables due from this same customer were 14% of net receivables at December 31, 2003 and 15% as of December 31, 2002. Due to the increased diversification of the Corporation's customer base resulting from our recent acquisitions, no one commercial customer represents a significant concentration of credit risk at December 31, 2003 and 2002.

The Corporation performs ongoing credit evaluations of its customers and establishes appropriate allowances for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information.

The composition of receivables is as follows:

(In thousands) December 31,	2003	2002
BILLED RECEIVABLES:		
Trade and other receivables	$ 111,068	$ 106,946
Less: Allowance for doubtful accounts	(3,449)	(3,244)
Net billed receivables	107,619	103,702
UNBILLED RECEIVABLES:		
Recoverable costs and estimated earnings not billed	56,070	45,997
Less: Progress payments applied	(20,327)	(13,965)
Net unbilled receivables	35,743	32,032
Receivables, net	$ 143,362	$ 135,734

The net receivable balance at December 31, 2003 included $10.5 million related to the Corporation's 2003 acquisitions.

6. Inventories

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

(In thousands) December 31,	2003	2002
Raw material	$ 40,624	$ 34,365
Work-in-process	26,409	26,069
Finished goods and component parts	46,575	45,682
Inventoried costs related to U.S. Government and other long-term contracts	20,544	22,743
Gross inventories	134,152	128,859
Less: Inventory reserves	(22,278)	(23,548)
Progress payments applied, principally related to long-term contracts	(13,994)	(20,743)
Inventories, net	$ 97,880	$ 84,568

The net inventory balance at December 31, 2003 included $9.0 million related to the Corporation's 2003 acquisitions.

7. Property, Plant, and Equipment

The composition of property, plant, and equipment is as follows:

(In thousands) December 31,	2003	2002
Land	$ 12,206	$ 11,677
Buildings and improvements	93,058	80,652
Machinery, equipment, and other	294,744	262,661
Property, plant, and equipment, at cost	400,008	354,990
Less: Accumulated depreciation	(161,869)	(135,941)
Property, plant, and equipment, net	$ 238,139	$ 219,049

Depreciation expense for the years ended December 31, 2003, 2002, and 2001 was $27.7 million, $16.7 million, and $12.4 million, respectively. The net property, plant, and equipment balance at December 31, 2003 included $3.1 million related to the Corporation's 2003 acquisitions.

8. Goodwill

Goodwill consists primarily of the excess purchase price of acquisitions over the fair value of the net assets acquired.

The changes in the carrying amount of goodwill for 2003 and 2002 are as follows:

(In thousands)	Motion Control	Flow Control	Metal Treatment	Consolidated
December 31, 2001	$ 46,453	$ 33,075	$ 4,057	$ 83,585
Goodwill from 2002 acquisitions	22,263	62,122	1,077	85,462
Change in estimate to fair value of net assets acquired in 2001	5,417	(183)	1,666	6,900
Foreign currency translation adjustment	4,594	395	165	5,154
December 31, 2002	78,727	95,409	6,965	181,101
Goodwill from 2003 acquisitions	21,369	--	8,581	29,950
Change in estimate to fair value of net assets acquired in 2002	6,081	(3,977)	13	2,117
Foreign currency translation adjustment	4,673	1,986	231	6,890
December 31, 2003	$110,850	$ 93,418	$ 15,790	$220,058

During 2003, the Corporation finalized the allocation of the purchase price for the six businesses acquired in 2002. The purchase price allocations relating to businesses acquired in 2003 are based on estimates and have not yet been finalized. Approximately $15 million and $18 million of the goodwill acquired during 2003 and 2002, respectively, is deductible for tax purposes.

In accordance with SFAS No. 142, the Corporation completed its annual impairment test of goodwill during the third quarter of 2003 and concluded there was no impairment of goodwill.

The following table reflects the pro forma consolidated results adjusted as if SFAS No. 142 were adopted as of January 1, 2001:

(In thousands) December 31,	2003	2002	2001
NET EARNINGS:			
As reported	$ 52,268	$ 45,136	$ 62,880
Goodwill amortization, net of tax	--	--	1,136
As adjusted	$ 52,268	$ 45,136	$ 64,016
DILUTED EARNINGS PER SHARE:			
As reported	$ 2.50	$ 2.16	$ 3.07
Goodwill amortization, net of tax	--	--	0.06
As adjusted	$ 2.50	$ 2.16	$ 3.13

9. Other Intangible Assets, net

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

The following table summarizes the intangible assets acquired (including their weighted average useful lives) by the Corporation during 2003 and 2002. The 2002 amounts have been adjusted to reflect the change in estimates of fair values made in 2003 and exclude $1.0 million of indefinite lived intangible assets included in Other intangible assets.

(In thousands, except years data)	2003		2002	
	Amount	Years	Amount	Years
Developed technology	$12,453	8.0	$11,012	14.3
Customer related intangibles	7,426	11.6	8,035	13.4
Other intangible assets	2,519	10.5	244	14.4
Total	$22,398	9.5	$19,291	13.9

The following tables present the cumulative composition of the Corporation's acquired intangible assets as of December 31:

(In thousands) 2003	Gross	Accumulated Amortization	Net
Developed technology	$32,892	$(2,966)	$29,926
Customer related intangibles	14,469	(863)	13,606
Other intangible assets	5,902	(1,166)	4,736
Total	$53,263	$(4,995)	$48,268

2002	Gross	Accumulated Amortization	Net
Developed technology	$21,371	$(1,452)	$19,919
Customer related intangibles	1,268	(601)	667
Other intangible assets	2,143	(747)	1,396
Total	$24,782	$(2,800)	$21,982

The following table presents the changes in the net balance of other intangibles assets during 2003:

(In thousands)	Developed Technology	Customer Related Intangibles	Other Intangible Assets	Total
December 31, 2002	$19,919	$ 667	$1,396	$21,982
Acquired during 2003	12,453	7,426	2,519	22,398
Amortization expense	(1,408)	(1,744)	(423)	(3,575)
Change in estimate of fair value related to purchase price allocations	(1,771)	7,230	1,244	6,703
Net foreign currency translation adjustment	733	27	--	760
December 31, 2003 Total	$29,926	$13,606	$4,736	$48,268

During 2003, the Corporation removed $1.5 million of fully amortized intangible assets from the gross and accumulated amortization of customer related intangibles, respectively.

Amortization expense for the years ended December 31, 2002 and 2001 was $1.9 million and $0.4 million, respectively. The estimated future amortization expense of purchased intangible assets is as follows:

(In thousands)

2004	$ 4,641
2005	4,581
2006	4,581
2007	4,581
2008	4,391
2009 and thereafter	25,493
Total amortization expense	$48,268

10. Accrued Expenses and Other Current Liabilities

Accrued expenses consist of the following:

(In thousands) December 31,	2003	2002
Accrued compensation	$ 26,331	$ 19,667
Accrued interest	3,264	216
Accrued insurance	3,957	3,253
Accrued taxes other than income taxes	3,050	2,044
Accrued commissions	1,593	1,137
Other	6,743	6,129
Total accrued expenses	$ 44,938	$ 32,446

Other current liabilities consist of the following:

(In thousands) December 31,	2003	2002
Deferred revenue	$ 21,726	$ 31,796
Warranty reserves	10,011	9,504
Current portion of environmental reserves	2,178	2,177
Additional amounts due to sellers on acquisitions	2,154	2,120
Other	3,355	4,875
Total other current liabilities	$ 39,424	$ 50,472

The accrued expenses and other current liabilities at December 31, 2003 included $2.2 million and $1.5 million, respectively, related to the Corporation's 2003 acquisitions.

The Corporation provides its customers with warranties on certain commercial and governmental products. Estimated warranty costs are charged to expense in the period the related revenue is recognized based on quantitative historical experience. These estimates are adjusted in the period in which actual results are finalized or better information is obtained. The following table presents the changes in the Corporation's warranty reserves:

(In thousands)	2003	2002
Warranty reserves at January 1,	$ 9,504	$ 3,162
Increase due to acquisitions	612	4,249
Provision for current year sales	1,650	1,648
Change in estimates to pre-existing warranties	(389)	1,227
Current year claims	(1,930)	(1,424)
Foreign currency translation adjustment	564	642
Warranty reserves at December 31,	$ 10,011	$ 9,504

11. Income Taxes

Earnings before income taxes for the years ended December 31 consist of:

(In thousands)	2003	2002	2001
Domestic	$67,429	$55,314	$ 84,018
Foreign	16,627	16,421	18,179
Total	$84,056	$71,735	$102,197

The provision for income taxes for the years ended December 31 consist of:

(In thousands)	2003	2002	2001
Current:			
Federal	$17,018	$13,582	$22,656
State	4,103	3,648	6,048
Foreign	5,050	5,255	5,829
	26,171	22,485	34,533
Deferred:			
Federal	5,032	3,664	3,763
State	426	296	505
Foreign	159	154	516
	5,617	4,114	4,784
Provision for income taxes	$31,788	$26,599	$39,317

The effective tax rate varies from the U.S. federal statutory tax rate for the years ended December 31, principally due to the following:

	2003	2002	2001
U.S. Federal statutory tax rate	35.0%	35.0%	35.0%
Add (deduct):			
State and local taxes	3.5	3.6	4.2
Recovery of research & development credits from prior years	--	(1.3)	--
Dividends received			

deduction and tax exempt income	--	(0.1)	(0.5)
All other, net	(0.7)	(0.1)	(0.2)
Effective tax rate	37.8%	37.1%	38.5%

The components of the Corporation's deferred tax assets and liabilities at December 31 are as follows:

(In thousands)	2003	2002
Deferred tax assets:		
Environmental reserves	$ 9,318	$ 10,127
Inventories	8,992	9,974
Postretirement/postemployment benefits	15,601	15,002
Incentive compensation	5,383	3,406
Accrued vacation pay	3,806	3,535
Warranty reserve	1,686	2,014
Other	4,446	4,076
Total deferred tax assets	49,232	48,134
Deferred tax liabilities:		
Retirement plans	13,692	12,785
Depreciation	16,416	13,875
Goodwill amortization	4,936	2,841
Other intangible amortization	9,285	1,773
Other	3,071	1,625
Total deferred tax liabilities	47,400	32,899
Net deferred tax assets	$ 1,832	$ 15,235

Deferred tax assets and liabilities are reflected on the Corporation's consolidated balance sheet at December 31 as follows:

(In thousands)	2003	2002
Current deferred tax assets	$ 23,630	$ 21,840
Noncurrent deferred tax liabilities	(21,798)	(6,605)
Net deferred tax assets	$ 1,832	$ 15,235

Income tax payments of $22.8 million were made in 2003, $34.6 million in 2002, and $18.9 million in 2001.

No provision has been made for U.S. federal or foreign taxes on that portion of certain foreign subsidiaries' undistributed earnings $16.7 million at December 31, 2003 considered to be permanently reinvested. It is not practicable to estimate the amount of tax that would be payable if these amounts were repatriated to the U.S.; however, it is expected that there would be minimal or no additional tax because of the availability of foreign tax credits.

12. Debt

Debt at December 31 consists of the following:

(In thousands)	2003	2002
Industrial Revenue Bonds, due from 2007 to 2028. Weighted average interest rate is 1.24% and 1.51% for 2003 and 2002, respectively	$ 14,296	$ 13,400
Revolving Credit Agreement Borrowing, due 2007. Weighted average interest rate is 1.97% for 2003 and 2.55% for 2002	8,868	105,463
Short-Term Credit Agreement Borrowing, due 2004. Weighted average interest rate is 2.27% for 2003	--	32,000
5.13% Senior Notes due 2010	75,217	--
5.74% Senior Notes due 2013	125,747	--
Other debt	1,020	1,015
Total debt	225,148	151,878
Less: Short-term debt	997	32,837
Total Long-term debt	$ 224,151	$ 119,041

The debt under the Corporation's revolving credit agreement includes amounts denominated in Swiss francs, which were 11.0 million Swiss francs at December 31, 2003 and December 31, 2002.

The estimated fair values of the Corporation's long-term debt instruments at December 31, 2003 aggregated $226.6 million compared to a carrying value of $225.1 million. The carrying amount of the variable interest rate long-term debt approximates fair value because the interest rates are reset periodically to reflect current market conditions. Fair values for the Corporation's fixed rate debt were estimated based on valuations provided by third parties in accordance with their proprietary models.

The carrying amount of the interest rate swaps reflects their fair value as provided by third parties in accordance with their proprietary models.

The fair values described above may not be indicative of net realizable value or reflective of future fair values. Furthermore, the use of different methodologies to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Aggregate maturities of debt are as follows:

(In thousands)

2004	$ 997
2005	79
2006	59
2007	13,929
2008	62
Thereafter	209,058
Total	$224,184

Amounts exclude a $1.0 million adjustment to the fair value of long-term debt relating to the Corporation's interest rate swap agreements that will not be settled in cash.

Interest payments of $2.3 million, $1.6 million, and $0.8 million were made in 2003, 2002, and 2001, respectively.

On September 25, 2003 the Corporation issued $200.0 million of Senior Notes (the "Notes"). The Notes consist of $75.0 million of 5.13% Senior Notes that mature on September 25, 2010 and $125.0 million of 5.74% Senior Notes that mature on September 25, 2013. The Corporation used the net proceeds of the Notes to repay the majority of the outstanding indebtedness under the existing revolving credit facilities. The Notes are senior unsecured obligations and are equal in right of payment to the Corporation's existing senior indebtedness. The Corporation, at its option, can prepay at any time, all or from time to time any part of, the Notes, subject to a make-whole amount in accordance with the Note Purchase Agreement. The Corporation paid customary fees that have been deferred and will be amortized over the terms of the Notes. The Corporation is required under the Note Purchase Agreement to maintain certain financial ratios and meet certain net worth and indebtedness tests, of which the Corporation is in compliance.

The Corporation attempts to limit its exposure to interest rate risk by managing the mix of its long-term fixed rate borrowings and short-term borrowings under its bank credit facilities. As noted below, the Corporation entered into interest rate swap agreements designated as fair value hedges on a portion of its $75 million of fixed rate debt due in 2010 and its $125 million of fixed rate debt due in 2013. Giving effect to these agreements, the Corporation's fixed rate borrowings represented 54% of total borrowings at December 31, 2003.

The Corporation has two credit agreements aggregating $225.0 million with a group of eight banks. The Revolving Credit Agreement allows for cash borrowings up to a maximum of $135.0 million with a limit of $50.0 million for letters of credit. The Revolving Credit Agreement expires May 13, 2007, but may be extended annually for successive one-year periods with the consent of the bank group. The Short-Term Credit Agreement allows for cash borrowings up to a maximum of $90.0 million. The Short-Term Credit Agreement expires May 7, 2004, but may be extended annually with the consent of the bank group for additional periods not to exceed 364 days each. The Corporation expects to extend the Short-Term Agreement in 2004; however, there can be no assurances that the bank group will approve the extension. In the event the bank group does not renew the Short-Term Credit Agreement, the Corporation should have sufficient cash flow to meet its cash requirements. Borrowings under these credit agreements bear interest at a floating rate based on market conditions. Additionally, the Corporation's rate of interest and payment of facility fees are dependent on certain financial ratios of the Corporation, as defined in the agreements. As of December 31, 2003, the Corporation pays quarterly facility fees on the entire commitment of the Revolving Credit Agreement and the Short-Term Credit Agreement. The Corporation is required under these agreements to maintain certain financial ratios and meet certain net worth and indebtedness tests, of which the Corporation is in compliance. The unused credit available under the Revolving Credit Agreement and the Short-Term Credit Agreement at December 31, 2003 was $107.1 million and $90.0 million, respectively.

In the fourth quarter of 2003, the Corporation entered into two interest rate swap agreements, designated as fair value hedges, which effectively convert $80 million of the Corporation's $200 million Senior Note fixed rate debt to floating rate debt. Under the terms of these agreements, the Corporation makes payments based on specified spreads over six-month LIBOR and receives payments equal to the interest payments due on the fixed rate debt. The differential between the payments is recognized as interest expense. The interest rate swap agreements qualify for the "shortcut method" under SFAS No. 133, which allows for an assumption of no ineffectiveness in the hedging relationship. As such, there is no income statement impact from changes in the fair value of the hedging instruments. Instead, the fair value of the instruments is recorded as an asset or liability on the Corporation's balance sheet, with an offsetting adjustment to the carrying value of the related debt. Other long-term assets in the accompanying December 31, 2003 consolidated balance sheet includes $1.0 million representing the fair value of the interest rate swap agreements at that date, with a corresponding aggregate increase in the carrying value of the Corporation's long-term debt.

At December 31, 2003, substantially all of the industrial revenue bond issues are collateralized by real estate, machinery, and equipment. Certain of these issues are supported by letters of credit, which total $13.7 million. The Corporation has various other letters of credit totaling $5.8 million, most of which are included under the Revolving Credit Agreement.

13. Earnings Per Share

The Corporation is required to report both basic earnings per share ("EPS"), based on the weighted average number of Common and Class B common shares outstanding, and diluted earnings per share, based on the basic EPS adjusted for all potentially dilutive shares issuable. Share and per share amounts presented below have been adjusted on a pro forma basis for the stock split. See Note 1-O for further information regarding the stock split.

At December 31, 2003, the Corporation had stock options outstanding for 148,052 shares that could potentially dilute basic EPS in the future. The effect of these options was not included in the computation of diluted EPS for 2003 because to do so would have been antidilutive. The Corporation had antidilutive options outstanding of 162,530 at December 31, 2002 and 238,000 at December 31, 2001. Earnings per share calculations for the years ended December 31, 2003, 2002, and 2001 are as follows:

(In thousands, except per share data)	Net Income	Weighted-Average Shares Outstanding(1)	Earnings Per Share
2003:			
Basic earnings per share	$52,268	20,640	$2.53
Effect of dilutive securities:			
Stock options		222	
Deferred stock compensation		25	
Diluted earnings per share	$52,268	20,887	$2.50
2002:			
Basic earnings per share	$45,136	20,398	$2.21
Effect of dilutive securities:			
Stock options		446	
Deferred stock compensation		24	
Diluted earnings per share	$45,136	20,868	$2.16
2001:			
Basic earnings per share	$62,880	20,122	$3.12
Effect of dilutive securities:			
Stock options		344	

Deferred stock compensation		6	
Diluted earnings per share	$62,880	20,472	$3.07

(1) Shares in 2003, 2002, and 2001 include the Corporation's Common and Class B common shares.

14. Stock Compensation Plans

1985 Stock Option Plan: The Corporation's 1985 Stock Option Plan, which was approved by stockholders and as amended November 16, 1993, expired on February 13, 1995. Under this plan, 350,000 shares of common stock had been reserved in treasury for issuance to key employees. During the life of the plan, 190,050 options had been issued. With the expiration of the plan, the remaining 159,950 shares of common stock are no longer reserved for issuance. As of December 31, 2003 there were options representing a total of 33,156 shares outstanding under the 1985 Stock Option Plan.

1995 Long-Term Incentive Plan: Under a Long-Term Incentive Plan ("LTI Plan") approved by stockholders in 1995 and as amended in 2002, an aggregate total of 3,000,000 shares of common stock were reserved for issuance under the LTI Plan. No more than 50,000 shares of common stock may be awarded in any year to any one participant in the LTI Plan. The LTI Plan currently has two components--performance units (cash) and non-qualified stock options.

Under the LTI Plan, the Corporation awarded performance units of 4,805,783 in 2003, 4,519,906 in 2002, and 2,339,812 in 2001 to certain key employees. The performance units are denominated in dollars and are contingent upon the satisfaction of performance objectives keyed to achieving profitable growth over a period of three fiscal years commencing with the fiscal year following such awards. The anticipated cost of such awards is expensed over the three-year performance period, which amounted to $3.3 million, $1.8 million, and $1.2 million in 2003, 2002, and 2001, respectively. The actual cost of the performance units may vary from the total value of the awards depending upon the degree to which the key performance objectives are met.

Under the LTI Plan, the Corporation has granted non-qualified stock options in 2003, 2002, and 2001 to key employees. Stock options granted under this LTI Plan expire ten years after the date of the grant and are usually exercisable as follows: up to one-third of the grant after one full year, up to two-thirds of the grant after two full years, and in full three years from the date of grant.

The remaining allowable shares for issuance under the 1995 LTI Plan as of December 31, 2003 is 2,445,114.

Stock option activity during the periods for both plans is indicated as follows:

	Shares	Weighted-Average Exercise Price	Options Exercisable	Weighted-Average Exercise Price
Outstanding at January 1, 2001	1,305,428	$17.10	792,098	$14.44
Granted	413,524	21.86		
Exercised	(107,664)	11.01		
Forfeited	(21,374)	21.98		
Outstanding at December 31, 2001	1,589,914	18.83	936,148	16.41
Granted	162,530	32.56		
Exercised	(392,160)	15.79		
Forfeited	(19,980)	21.95		
Outstanding at December 31, 2002	1,340,304	21.16	837,024	18.48
Granted	148,052	38.16		
Exercised	(233,708)	16.57		
Forfeited	(16,926)	24.39		
Outstanding at December 31, 2003	1,237,722	$24.01	855,676	$20.83

The following table summarizes information about stock options outstanding at December 31, 2003:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Shares	Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price

$ 7.63 - $11.45	29,024	0.9	$ 9.00	29,024	$ 9.00
$11.46 - $15.26	59,252	2.6	12.40	59,252	12.40
$15.27 - $19.08	297,088	5.2	18.91	297,088	18.91
$19.09 - $22.90	359,592	7.9	21.85	231,858	21.85
$22.91 - $26.71	186,248	6.9	23.86	186,248	23.86
$26.72 - $34.34	158,466	8.9	32.56	52,206	32.56
$34.35 - $38.16	148,052	9.9	38.16	--	--
	1,237,722	7.0	$24.01	855,676	$20.83

Stock Plan for Non-Employee Directors: The Stock Plan for Non-Employee Directors ("Stock Plan"), approved by the stockholders in 1996, authorized the grant of restricted stock awards and, at the option of the Directors, the deferred payment of regular stipulated compensation and meeting fees in equivalent shares. Pursuant to the terms of the Stock Plan, the non-employee directors received an initial grant of 3,612 shares in 1996, which became unrestricted in 2001. Additionally, on the fifth anniversary of the initial grant, those non-employee directors who remained a non-employee director, received an additional grant equal to the product of increasing $13,300 at an annual rate of 2.96%, compounded monthly from the effective date of the Stock Plan. In 2001, the amount per director was calculated to be $15,419, representing a total additional grant of 1,555 restricted shares. The cost of the restricted stock awards is being amortized over the five-year restriction period from the date of grant. Newly elected non-employee directors receive similar compensation under the terms of the Stock Plan upon their election to the Board.

Pursuant to election by non-employee directors to receive shares in lieu of payment for earned and deferred compensation under the Stock Plan, the Corporation had provided for an aggregate additional 25,261 shares, at an average price of $22.97 as of December 31, 2003. During 2003, the Corporation issued 1,657 shares in deferred compensation pursuant to such elections, prior to the recent stock split.

Depending on the extent to which the non-employee directors elect to receive future compensation in shares, total awards issued under this Stock Plan could exceed the 32,000 registered shares by April 12, 2006, the termination date of the Stock Plan.

15. Environmental Costs

The Corporation has continued the operation of the ground water and soil remediation activities at the Wood-Ridge, New Jersey site through 2003. The cost of constructing and operating this site was provided for in 1990 when the Corporation established a reserve to remediate the property. Costs for operating and maintaining this site totaled $0.6 million in 2003, and $0.5 million in 2002 and 2001, all of which have been charged against the previously established reserve. In 2002, the Corporation increased the remediation reserve by $1.0 million based upon revised operating projections. The reserve balance as of December 31, 2003 was $8.4 million. Even though this property was sold in December 2001 (see Note 3), the Corporation retained the responsibility for this remediation in accordance with the sale agreement.

The Corporation has been named as a potentially responsible party, as have many other corporations and municipalities, in a number of environmental clean-up sites. The Corporation continues to make progress in resolving these claims through settlement discussions and payments from established reserves. Significant sites remaining open at the end of the year are: Caldwell Trucking landfill superfund site, Fairfield, New Jersey; Sharkey landfill superfund site, Parsippany, New Jersey; Amenia landfill site, Amenia, New York; and Chemsol, Inc. superfund site, Piscataway, New Jersey. The Corporation believes that the outcome for any of these remaining sites will not have a materially adverse effect on the Corporation's results of operations or financial condition.

In October 2002 the Corporation acquired the Electro-Mechanical Division ("EMD") facility from Westinghouse Government Services LLC ("Seller"). Included in the purchase was the assumption of several Nuclear Regulatory Commission ("NRC") licenses, necessary for the continued operation of the business. In connection with these licenses, the NRC required financial assurance from the Corporation (in the form of a parent company guarantee), representing estimated environmental decommissioning and remediation costs associated with the commercial operations covered by the licenses. In addition, the Corporation has assumed obligations for additional environmental remediation costs. Remediation and investigation of the EMD facility are ongoing. As of December 31, 2003 the balance in this reserve is $13.1 million. The Corporation obtained partial environmental insurance coverage specifically for the EMD facility. The policy provides coverage for losses due to on or off-site pollution conditions, which are pre-existing and unknown.

The environmental obligation at December 31, 2003 was $23.3 million compared to $24.8 million at December 31, 2002.

16. Pension and Other Postretirement Benefit Plans

The Corporation maintains six separate and distinct pension and other postretirement benefit plans, as described in further detail below. Prior to the acquisition of EMD in October 2002, the Corporation maintained a qualified pension plan, a non-qualified pension plan, and a post-retirement health benefits plan (the "Curtiss-Wright Plans"). As a result of the acquisition, the Corporation obtained three unfunded pension and postretirement benefit plans (the "EMD Plans"), similar in nature to those listed above. The unfunded status of the acquired EMD Plans was recorded as a liability at the date of acquisition. During 2003, the funds associated with the qualified pension plans of both the Curtiss-Wright Plans and EMD Plans were commingled into one fund.

The Curtiss-Wright Plans

The Corporation maintains a non-contributory defined benefit pension plan covering substantially all employees other than those employees covered by the EMD Pension Plan described below. The Curtiss-Wright Retirement Plan (the "CW Pension Plan") formula for non-union employees is based on years of credited service and the five highest consecutive years' compensation during the last ten years of service and a "cash balance" benefit. Union employees who have negotiated a benefit under the CW Pension Plan are entitled to a benefit based on years of service multiplied by a monthly pension rate. Employees are eligible to participate in the CW Pension Plan after one year of service and are vested after five years of service. At December 31, 2003 and December 31, 2002, the Corporation had prepaid pension costs of $77.9 million and $76.1 million, respectively, under the CW Pension Plan. Due to the funded status, the Corporation does not expect to contribute funds to the CW Pension Plan during the next fiscal year.

The Corporation also maintains a non-qualified restoration plan (the "CW Restoration Plan") covering those employees whose compensation or benefits exceed the IRS limitation for pension benefits. Benefits under the CW Restoration Plan are not funded, and, as such, the Corporation had an accrued pension liability of $0.8 million and $1.1 million at December 31, 2003 and 2002, respectively.

The Corporation provides postretirement health benefits to certain employees (the "CW Retirement Plan"). In 2002, the Corporation restructured the postretirement medical benefits for certain active employees, effectively freezing the plan. The obligation associated with these active employees was transferred to the CW Pension Plan. The plan continues to be maintained for retired employees. As of December 31, 2003 and 2002, the Corporation had an accrued postretirement benefit liability of $1.3 million and $1.4 million, respectively, as benefits under the plan are not funded.

	The Curtiss-Wright Plans			
	Pension Benefits		Postretirement Benefits	
(In thousands)	2003	2002	2003	2002
CHANGE IN BENEFIT OBLIGATION:				
Benefit obligation at beginning of year	$111,827	$103,344	$ 512	$ 1,990
Service cost	8,899	6,015	--	129
Interest cost	7,982	7,650	39	148
Plan participants' contributions	--	--	19	20
Amendments	328	829	--	--
Actuarial loss (gain)	16,652	7,376	144	159
Benefits paid	(19,165)	(15,298)	(86)	(90)
Curtailment of benefits	--	1,911	--	(1,844)
Benefit obligation at end of year	126,523	111,827	628	512
CHANGE IN PLAN ASSETS:				
Fair value of plan assets at beginning of year	187,969	216,944	--	--
Actual return on plan assets	29,834	(13,761)	--	--
Employer contribution	375	84	67	70
Plan participants' contribution	--	--	19	20
Benefits paid	(19,165)	(15,298)	(86)	(90)
Fair value of plan assets at end of year	199,013	187,969	--	--
Funded status	72,490	76,141	(628)	(512)
Unrecognized net actuarial gain	3,184	(2,179)	(662)	(879)
Unrecognized transition obligation	(11)	(14)	--	--
Unrecognized prior service costs	1,426	1,092	--	--
Prepaid (accrued) benefit costs	$ 77,089	$ 75,040	$(1,290)	$(1,391)
ACCUMULATED BENEFIT OBLIGATION	$114,740	$101,635	N/A	N/A
In determination of benefit obligation:				
Discount rate	6.00%	6.75%	5.30%	6.75%
Rate of compensation increase	3.50%	4.25%	--	--
Measurement date	September 30	September 30	October 31	October 31
HEALTH CARE COST TRENDS				
Rate assumed for subsequent year	--	--	9.40%	11.70%
Ultimate rate reached in 2007	--	--	5.50%	5.50%

The following table details the components of net periodic pension income for the CW Pension Plan and CW Restoration Plan:

Components of Net Periodic Benefit Income: (In thousands)	2003	2002	2001
Service cost	$ 8,899	$ 6,015	$ 4,740
Interest cost	7,982	7,650	7,113
Expected return on plan assets	(18,081)	(18,705)	(18,089)
Amortization of prior service cost	58	26	(40)
Amortization of transition obligation	(3)	(4)	(2,188)
Recognized net actuarial (gain) loss	(587)	(2,191)	(2,578)
Cost of settlement	121	1,911	--
Net periodic benefit income	$ (1,611)	$ (5,298)	$(11,042)
Weighted-average assumptions in determination of net periodic benefit cost:			
Discount rate	6.75%	7.00%	7.00%
Expected return on plan assets	8.50%	8.50%	8.50%
Rate of compensation increase	4.25%	4.25%	4.25%

The following table details the components of net periodic pension income for the CW Retirement Plan:

Components of Net Periodic Benefit Income: (In thousands)	2003	2002	2001
Service cost	$ --	$ 129	$ 112
Interest cost	39	148	126
Amortization of prior service cost	--	(123)	(123)
Recognized net actuarial (gain) loss	(73)	(179)	(200)
Cost of settlement	--	(3,849)	--
Net periodic benefit income	$ (34)	$(3,874)	$ (85)
Weighted-average assumptions in determination of net periodic benefit cost:			
Discount rate	6.75%	7.00%	7.00%

The effect on the CW Retirement Plan of a 1% change in the health care cost trend is as follows:

(In thousands)	1% Increase	1% Decrease
Total service and interest cost components	$ 2	$ (2)
Postretirement benefit obligation	$42	$(38)

The EMD Plans

The Corporation maintains the Curtiss-Wright Electro-Mechanical Division Pension Plan (the "EMD Pension Plan"), a qualified contributory defined benefit pension plan, which covers all of the EMD employees. The EMD Pension Plan covers both union and non-union employees and is designed to satisfy the requirements of relevant collective bargaining agreements. Employee contributions are withheld semi-monthly

equal to 1.5% of salary. The benefits under the EMD Pension Plan are based on years of service and compensation. At December 31, 2003 and 2002, the Corporation had an accrued pension liability of $33.5 million and $35.6 million, respectively, related to the EMD Pension Plan. The Corporation expects to contribute $2.5 million, the estimated minimum required amount, to the EMD Pension Plan during the next fiscal year.

The Corporation maintains the Curtiss-Wright Electro-Mechanical Division Non-Qualified Plan (the "EMD Supplemental Plan"), a non-qualified non-contributory unfunded supplemental retirement plan for eligible EMD key executives. The EMD Supplemental Plan provides for periodic payments upon retirement that are based on total compensation (including amounts in excess of qualified plan limits) and years of service, and are reduced by benefits earned from certain other pension plans in which the executives participate. At December 31, 2003 and 2002, the Corporation had an accrued pension liability of $2.4 million, respectively, related to the EMD Supplemental Plan.

The Corporation, through an administration agreement with Westinghouse, maintains the Westinghouse Government Services Group Welfare Benefits Plan (the "EMD Retirement Plan"), a retiree health and life insurance plan for substantially all of the EMD employees. The EMD Retirement Plan provides basic coverage on a non-contributory basis. Benefits are based on years of service. The Corporation had an accrued postretirement benefit liability of $37.5 million and $36.3 million related to the EMD Retirement Plan at December 31, 2003 and 2002, respectively. Pursuant to the Asset Purchase Agreement, the Corporation has a discounted receivable from Washington Group International to reimburse the Corporation for a portion of these postretirement benefit costs. At December 31, 2003 and 2002, the discounted receivable included in other assets was $5.9 million and $6.5 million, respectively.

	The EMD Plans			
	Pension Benefits		Postretirement Benefits	
(In thousands)	2003	2002	2003	2002
CHANGE IN BENEFIT OBLIGATION:				
Benefit obligation at beginning of year	$ 112,442	$ --	$ 36,344	$ --
Effect of EMD acquisition	--	111,642	--	36,344
Service cost	2,032	424	705	--
Interest cost	5,890	1,278	2,388	--
Plan participants' contributions	597	--	--	--
Actuarial loss (gain)	11,137	--	3,593	--
Benefits paid	(3,811)	(902)	(1,924)	--
BENEFIT OBLIGATION AT END OF YEAR	128,287	112,442	41,106	36,344
CHANGE IN PLAN ASSETS:				
Fair value of plan assets at beginning of year	74,335	--	--	--
Effect of EMD acquisition	--	74,245	--	--
Actual return on plan assets	8,009	992	--	--
Employer contribution	4,607	--	1,924	--
Plan participants' contribution	597	--	--	--
Benefits paid	(3,811)	(902)	(1,924)	--
FAIR VALUE OF PLAN ASSETS AT END OF YEAR	83,737	74,335	--	
Funded status	(44,550)	(38,107)	(41,107)	(36,344)
Unrecognized net actuarial gain	8,635	100	3,593	--
Unrecognized transition obligation	--	--	--	--
Unrecognized prior service costs	--	--	--	--
PREPAID (ACCRUED) BENEFIT COSTS	$ (35,915)	$ (38,007)	$ (37,514)	$ (36,344)
ACCUMULATED BENEFIT OBLIGATION	$ 115,527	$ 100,141	N/A	N/A
COMPONENTS OF NET PERIODIC BENEFIT COST:				
Service cost	$ 2,709	$ 424	$ 705	$ --
Interest cost	7,854	1,278	2,388	--
Expected return on plan assets	(7,618)	(1,092)	--	--
Recognized net actuarial (gain) loss	(394)	--	--	--
NET PERIODIC BENEFIT COST	$ 2,551	$ 610	$ 3,093	$ --
WEIGHTED-AVERAGE ASSUMPTIONS AS OF DECEMBER 31:				
In determination of net periodic benefit cost:				
Discount rate	7.00%	7.00%	6.75%	7.00%
Expected return on plan assets	8.50%	8.88%	--	--
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%
In determination of benefit obligation:				
Discount rate	6.25%	7.00%	6.25%	6.75%
Rate of compensation increase	3.25%	4.00%	4.00%	4.00%
Measurement date	September 30	September 30	October 31	October 31
HEALTH CARE COST TRENDS				
Rate assumed for subsequent year	--	--	9.70%	11.10%
Ultimate rate reached in 2007	--	--	5.50%	5.50%

The effect on the EMD Retirement Plan of a 1% change in the health care cost trend is as follows:

(In thousands)	1% Increase	1% Decrease
Total service and interest cost components	$ 241	$ (252)
Postretirement benefit obligation	$2,977	$(3,108)

Pension Plan Assets

The Corporation maintains the Funds of the CW Pension Plan and the EMD Pension Plan under one master trust. The Corporation's Retirement Plans are diversified across investment classes and among investment managers in order to achieve an optimal balance between risk and return. In accordance with this policy, the Corporation has established target allocations for each asset class and ranges of expected exposure. The Corporation's retirement assets are invested within this allocation structure in three major categories; these include domestic equity securities, international equity securities and debt securities. Below are the Corporation's actual and established target allocations:

Asset Class	As of December 31, 2003	Target Exposure	Expected Range
Domestic Equities	51%	50%	40% - 60%
International Equities	15%	15%	10% - 20%
Total Equity	66%	65%	55% - 75%
Fixed Income	34%	35%	25% - 45%
Cash	0%	0%	0% - 10%

The Corporation may from time to time require the reallocation of assets in order to bring the retirement plans into conformity with these ranges. The Corporation may also authorize alterations or deviations from these ranges where appropriate for achieving the objectives of the retirement plans.

The long-term investment objective of the Retirement Plans is to achieve a total rate of return, net of fees, which exceeds the actuarial overall expected return on assets assumption of 8.50% used for funding purposes and which provides an appropriate premium over inflation.

The intermediate-term objective of the Retirement Plans, defined as three to five years, is to outperform each of the capital markets in which assets are invested, net of fees. During periods of extreme market volatility, preservation of capital takes a higher precedence than out performing the capital markets.

The overall expected return on assets assumption used in the calculation of annual net periodic benefit cost is based on a combination of the historical performance of the pension fund and expectations of future performance. The historical returns are determined using the market-related value of assets, includes the recognition of realized and unrealized gains and losses over a five-year period. Although over the last ten years the market-related value of assets had an average annual yield of 11.6%, the actual returns averaged 8.5% during the same period. Given the uncertainties of the current economic and geopolitical landscape, the Corporation considers 8.5% to be a reasonable assumption of future long-term investment returns. While the Corporation takes into account historical performance, its assumptions also consider the forward-looking long-term outlook for the capital markets.

Other Pension and Postretirement Plans

The Corporation offers all of its domestic employees the opportunity to participate in a defined contribution plan. Costs incurred by the Corporation in the administration of the defined contribution plan are not material.

In addition, the Corporation had foreign pension costs under various retirement plans of $1.9 million, $1.6 million, and $1.0 million in 2003, 2002, and 2001, respectively.

17. Leases

Buildings and Improvements Leased to Others: The Corporation previously leased certain of its buildings and related improvements to outside parties under non-cancelable operating leases. The Corporation sold one of its two remaining rental properties in 2002, and vacated the other in

preparation for sale. Cost and accumulated depreciation of the buildings and improvements were $7.3 million and $4.9 million, respectively, at December 31, 2003 and 2002. On December 20, 2001, the Corporation sold its Wood-Ridge Business Complex. As a result of the above, the Corporation will no longer report net rental income.

Facilities and Equipment Leased from Others: The Corporation conducts a portion of its operations from leased facilities, which include manufacturing and service facilities, administrative offices, and warehouses. In addition, the Corporation leases automobiles, machinery, and office equipment under operating leases. Rental expenses for all operating leases amounted to $10.5 million in 2003, $8.2 million in 2002, and $4.9 million in 2001.

At December 31, 2003, the approximate future minimum rental commitments under operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

(In thousands)	Rental Commitment
2004	$10,430
2005	8,925
2006	7,908
2007	7,145
2008	5,748
Thereafter	14,991
Total	$55,147

18. Industry Segments

The Corporation manages and evaluates its operations based on the products and services it offers and the different markets it serves. Based on this approach, the Corporation has three reportable segments: Flow Control, Motion Control, and Metal Treatment. The Flow Control segment primarily designs, manufactures, distributes, and services a broad range of highly engineered flow control products for severe service military and commercial applications. The Motion Control segment primarily designs, develops, and manufactures mechanical systems, drive systems, and electronic controls and sensors for the aerospace and defense industries. Metal Treatment provides approximately 50 metallurgical services, principally "shot peening" and "heat treating." The segment provides these services to a broad spectrum of customers in various industries, including aerospace, automotive, construction equipment, oil and gas, petrochemical, and metal working.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Interest expense and income taxes are not reported on an operating segment basis because they are not considered in the performance evaluation by the Corporation's chief operating decision-maker, its Chairman and CEO.

Sales to one customer through which the Corporation is a subcontractor to the U.S. Government were 16% of consolidated revenues in 2003, 10% in 2002, and 6% in 2001. During 2003 and 2002, the Corporation had no commercial customer representing more than 10% of consolidated revenue. The Corporation had one commercial customer in the Motion Control segment that accounted for 13% of its consolidated revenue in 2001.

Consolidated Industry Segment Information:

(In thousands)	Flow Control	Motion Control	Metal Treatment(1)	Segment Total	Corporate & Other(2)	Consolidated Total
YEAR ENDED DECEMBER 31, 2003:						
Revenue from external customers	$ 341,271	$ 265,905	$ 138,895	$ 746,071	$ --	$ 746,071
Intersegment revenues	--	--	544	544	--	544
Operating income (costs)	39,991	30,350	19,055	89,396	(66)	89,330
Depreciation and amortization expense	14,458	7,983	8,685	31,126	201	31,327
Segment assets	323,689	317,631	170,547	811,867	161,798	973,665
Capital expenditures	12,417	4,791	15,727	32,935	394	33,329
YEAR ENDED DECEMBER 31, 2002:						
Revenue from external customers	$ 172,455	$ 233,437	$ 107,386	$ 513,278	$ --	$ 513,278
Intersegment revenues	--	--	491	491	--	491
Operating income (costs)	20,693	29,579	14,403	64,675	4,362	69,037
Depreciation and amortization expense	5,059	7,394	6,063	18,516	177	18,693
Segment assets	328,221	267,244	127,125	722,590	87,512	810,102
Capital expenditures	10,787	8,243	15,873	34,903	51	34,954
YEAR ENDED DECEMBER 31, 2001:						
Revenue from external customers	$ 98,257	$ 137,103	$ 107,807	$ 343,167	$ --	$ 343,167
Intersegment revenues	--	--	446	446	--	446
Operating income (costs)	10,703	19,219	19,513	49,435	8,765	58,200
Depreciation and amortization expense	4,279	4,270	5,519	14,068	666	14,734
Segment assets	111,084	157,094	97,217	365,395	135,033	500,428
Capital expenditures	1,943	6,306	10,856	19,105	249	19,354

(1) Operating income for the Metal Treatment segment includes nonrecurring costs of $0.5 million associated with the relocation of a shot peening facility in 2002.

(2) Operating income (costs) for Corporate and Other includes pension income, net environmental remediation and administrative expenses, and other expenses.

Reconciliations:

For the years ended December 31, (In thousands)	2003	2002	2001
REVENUES:			
Total segment revenue	$746,071	$513,278	$343,167
Intersegment revenue	544	491	446
Elimination of intersegment revenue	(544)	(491)	(446)
Total consolidated revenues	$746,071	$513,278	$343,167
EARNINGS BEFORE TAXES:			
Total segment operating income	$ 89,396	$ 64,675	$ 49,435
Corporate and administrative	(1,677)	(2,846)	(2,277)
Investment income, net	281	591	2,599
Rental income, net	--	148	3,585
Pension income, net	1,611	7,208	11,042
Other income, net	108	3,769	38,993
Interest expense	(5,663)	(1,810)	(1,180)
Total consolidated earnings before tax	$ 84,056	$ 71,735	$102,197
ASSETS:			
Total assets for reportable segments	$811,867	$722,590	$365,395
Non-segment short-term investments	--	154	41,658
Pension assets	77,877	76,072	70,796
Non-segment cash	72,582	4,875	12,939
Other assets	11,384	6,455	9,680
Elimination of intersegment receivables	(45)	(44)	(40)
Total consolidated assets	$973,665	$810,102	$500,428

December 31, (In thousands)	2003		2002		2001	
	Revenues(1)	Long-Lived Assets	Revenues(1)	Long-Lived Assets	Revenues(1)	Long-Lived Assets
Geographic Information:						
North America	$591,479	$183,263	$401,466	$165,208	$257,208	$ 71,501
United Kingdom	66,210	40,614	49,519	38,235	31,340	22,961
Other foreign countries	88,382	14,262	62,293	15,606	54,619	10,689
Consolidated total	$746,071	$238,139	$513,278	$219,049	$343,167	$105,151

(1) Revenues are attributed to countries based on the location of the customer.

19. Contingencies and Commitments

The Corporation, through its subsidiary located in Switzerland, entered into a credit agreement with UBS AG ("UBS") for a credit facility in the amount of 6.0 million Swiss francs ($4.8 million) for the issue of performance guarantees related to long-term contracts. The Corporation received prepayments on these contracts, which are being used as collateral against the credit facility. The customers can draw down on the line of credit for nonperformance up to the amount of pledged collateral, which is released from restriction over time as the Corporation meets its obligations under the long-term contracts. Under the terms of this credit facility agreement, the Corporation is not permitted to borrow against the line of credit. The Corporation is charged a commitment fee on the outstanding balance of the collateralized cash. As of December 31, 2003, the amount of restricted cash under this facility was $1.8 million, all of which is expected to be released from restriction within one year.

In October 2002, the Corporation acquired EMD. Included in the purchase was the assumption of several NRC licenses, necessary for the continued operation of the business. In connection with these licenses, the NRC required financial assurance from the Corporation (in the form of a parent company guarantee) representing estimated environmental decommissioning and remediation costs associated with the commercial operations covered by the licenses. The guarantee for the decommissioning costs of the refurbishment facility, which is estimated for 2017, is $2.8 million. See Note 15 for further information.

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

20. Subsequent Event

On January 31, 2004, the Corporation completed the acquisition of all of the outstanding shares of Dy 4 Systems, Inc. ("Dy 4") from Solectron Corporation. The purchase price of the acquisition, subject to customary adjustments as provided for in the Stock Purchase Agreement, was $110 million in cash. Management funded the purchase with cash on hand and from the Corporation's revolving credit facilities. Revenues of the purchased business were $72 million for the year ended August 29, 2003. Dy 4 is based in Ottawa, Canada, and has additional operations located in the United States and the United Kingdom. Management intends to incorporate the operations of Dy 4 into the Corporation's Motion Control segment.

CORPORATE INFORMATION

CORPORATE HEADQUARTERS

4 Becker Farm Road, 3rd Floor
Roseland, NJ 07068
(973) 597-4700

www.curtisswright.com

ANNUAL MEETING

The 2004 annual meeting of stockholders will be held on April 23, 2004, at 2:00 pm at the Sheraton Parsippany Hotel, 199 Smith Road, Parsippany, New Jersey.

STOCK EXCHANGE LISTING

The Corporation's Common and Class B common stock are listed and traded on the New York Stock Exchange under the symbols CW and CW.B.

COMMON SHAREHOLDERS

As of December 31, 2003, the approximate number of holders of record of Common stock, par value of $1.00 per share, and Class B common stock, par value $1.00 per share of the Corporation was 2,952 and 4,803, respectively.

STOCK TRANSFER AGENT AND REGISTRAR

For services such as changes of address, replacement of lost certificates or dividend checks, and changes in registered ownership, or for inquiries as to account status, write to American Stock Transfer & Trust Company at 59 Maiden Lane, New York, New York 10038.

Please include your name, address, and telephone number with all correspondence. Telephone inquiries may be made to (800) 937-5449. Foreign (212) 936-5100. Internet inquiries should be addressed to http://www.amstock.com. Hearing-impaired shareholders are invited to log on to the website and select the Live Chat option.

DIRECT STOCK PURCHASE PLAN/DIVIDEND REINVESTMENT PLAN

A plan is available to purchase or sell shares of Curtiss-Wright Common stock and Class B common stock. The plan provides a low cost alternative to the traditional methods of buying, holding and selling stock. The plan also provides for the automatic reinvestment of Curtiss-Wright dividends. For more information, contact our transfer agent, American Stock Transfer & Trust Company toll-free at (877) 854-0844.

INVESTOR INFORMATION

Investors, stockbrokers, security analysts, and others seeking information about Curtiss-Wright Corporation should contact Alexandra Magnuson, Director of Investor Relations, at the Corporate Headquarters listed above.

STOCKHOLDER COMMUNICATIONS

Any stockholder wishing to communicate directly with our Board of Directors should write to Dr. William W. Sihler at Southeastern Consultants Group, LTD, P.O. Box 5645, Charlottesville, VA 22905.

FINANCIAL REPORTS

This Annual Report includes most of the periodic financial information required to be on file with the Securities and Exchange Commission. The Corporation also files an Annual Report on Form 10-K, a copy of which may be obtained free of charge. These reports, as well as additional financial documents such as quarterly shareholder reports, proxy statements, and quarterly reports on Form 10-Q, may be obtained by written request to Alexandra Magnuson, Director of Investor Relations, at the Corporate Headquarters.

STOCK PRICE RANGE

	2003	2002

Common	High	Low	High	Low
First Quarter	$33.54	$26.04	$33.85	$22.55
Second Quarter	33.13	26.97	40.00	33.13
Third Quarter	35.94	30.42	40.10	26.75
Fourth Quarter	47.25	35.03	35.37	26.09

	2003		2002	
Class B	High	Low	High	Low
First Quarter	$32.50	$25.20	$33.13	$21.88
Second Quarter	32.68	26.00	39.20	32.38
Third Quarter	35.90	30.56	38.00	26.18
Fourth Quarter	46.71	34.88	34.37	25.60

Note: All prices adjusted for the 2-for-1 stock split on December 17, 2003.

DIVIDENDS

Common	2003	2002
First Quarter	$0.08	$0.08
Second Quarter	0.08	0.08
Third Quarter	0.08	0.08
Fourth Quarter	0.09	0.08

Class B	2003	2002
First Quarter	$0.08	$0.08
Second Quarter	0.08	0.08
Third Quarter	0.08	0.08
Fourth Quarter	0.09	0.08

Note: All dividends adjusted for the 2-for-1 stock split on December 17, 2003.

Exhibit 21

Subsidiaries of the Registrant

The information below is provided, as of December 31, 2003 with respect to the subsidiaries of the Registrant, all of which are wholly owned by the Corporation, directly or indirectly. The names of certain inactive subsidiaries and other consolidated subsidiaries of the Registrant have been omitted because such subsidiaries would not constitute a significant subsidiary, individually or in the aggregate.

Name	Organized Under the Laws of
Curtiss-Wright Flow Control Corporation	New York
Curtiss-Wright Controls, Inc.	Delaware
Metal Improvement Company, Inc.	Delaware
Curtiss-Wright Electro-Mechanical Corporation	Delaware
Penny & Giles Controls Limited	England
Curtiss-Wright Antriebstechnik GmbH	Switzerland
Vista Controls, Inc.	California
Autronics Corporation	Delaware
Curtiss-Wright Flow Control Company Canada	Nova Scotia
Peerless Instrument Co., Inc.	New York

Exhibit 23(i)

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement Nos. 33-95602114 and 33-96583181 on Form S-8 and Registration Statement No. 33-95562329 on Forms S-8 and S-3 of Curtiss-Wright Corporation, of our reports dated February 20, 2004, appearing in and incorporated by reference in the Annual Report on Form 10-K of Curtiss-Wright Corporation for the year ended December 31, 2003.

DELOITTE & TOUCHE LLP

Parsippany, NJ
March 9, 2004

Exhibit 23(ii)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-8 and S-3 (No. 33-95562329) and in the Registration Statements on Forms S-8 (Nos.33-95602114 and 33-96583181) of Curtiss-Wright Corporation of our report dated March 12, 2003, relating to the financial statements, which appears in the Annual Report to Stockholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated March 12, 2003, relating to the financial statement schedule, which appears in this Form 10-K.

PRICEWATERHOUSECOOPERS LLP

Florham Park, New Jersey
March 9, 2004

Exhibit 31(i)

Certification Pursuant to Rule 13a-14(a) or Rule 15d - 14(a) under the Securities Exchange Act of 1934, as added by Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

I, Martin R. Benante, certify that:

1. I have reviewed this annual report on Form 10-K of Curtiss-Wright Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Martin R. Benante

Martin R. Benante
Chairman and Chief Executive Officer
March 9, 2004

Exhibit 31(ii)

Certification Pursuant to Rule 13a-14(a) or Rule 15d - 14(a) under the Securities Exchange Act of 1934, as added by Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

I, Glenn E. Tynan, certify that:

1. I have reviewed this annual report on Form 10-K of Curtiss-Wright Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Glenn E. Tynan

Glenn E. Tynan
Chief Financial Officer
March 9, 2004

Exhibit 32

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906

OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Curtiss-Wright Corporation (the "Company") on Form 10-K for the period ended December 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Martin R. Benante, as Chairman and Chief Executive Officer of the Company, and Glenn E. Tynan, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Martin R. Benante

Martin R. Benante
Chairman and Chief Executive Officer
March 9, 2004

/s/ Glenn E. Tynan

Glenn E. Tynan
Chief Financial Officer
March 9, 2004