UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2008

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, New Jersey	07068
(Address of principal executive offices)	(Zip Code)

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

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

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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

Common Stock, par value $1.00 per share 44,901,331 shares (as of July 31, 2008).

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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PART I – FINANCIAL INFORMATION
Item 1. Financial Statements

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales	$ 453,464	$ 365,576	$ 886,843	$ 698,185
Cost of sales	296,230	247,553	591,140	468,775
Gross profit	157,234	118,023	295,703	229,410
Research and development costs	13,017	11,487	25,853	22,826
Selling expenses	28,842	22,331	54,182	42,603
General and administrative expenses	65,703	45,796	125,269	90,430
Operating income	49,672	38,409	90,399	73,551
Other income, net	224	466	698	1,350
Interest expense	(7,176)	(5,704)	(14,759)	(11,204)
Earnings before income taxes	42,720	33,171	76,338	63,697
Provision for income taxes	15,643	11,781	27,482	22,804
Net earnings	$ 27,077	$ 21,390	$ 48,856	$ 40,893
Basic earnings per share	$ 0.61	$ 0.48	$ 1.10	$ 0.93
Diluted earnings per share	$ 0.60	$ 0.48	$ 1.08	$ 0.91
Dividends per share	$ 0.08	$ 0.06	$ 0.16	$ 0.12
Weighted average shares outstanding:				
Basic	44,631	44,256	44,607	44,200
Diluted	45,355	44,915	45,290	44,815

See notes to condensed consolidated financial statements

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

	June 30, 2008	December 31, 2007
Assets		
Current Assets:		
Cash and cash equivalents	$ 85,164	$ 66,520
Receivables, net	377,069	392,918
Inventories, net	275,688	241,728
Deferred tax assets, net	28,497	30,208
Other current assets	29,071	26,807
Total current assets	795,489	758,181
Property, plant, and equipment, net	351,064	329,657
Prepaid pension costs	65,694	73,947
Goodwill	571,964	570,419
Other intangible assets, net	229,311	240,842
Other assets	12,109	12,514
Total Assets	**$ 2,025,631**	**$ 1,985,560**
Liabilities		
Current Liabilities:		
Short-term debt	$ 981	$ 923
Accounts payable	117,774	137,401
Dividends payable	3,586	-
Accrued expenses	93,073	103,207
Income taxes payable	3,127	13,260
Deferred revenue	131,375	105,421
Other current liabilities	42,716	38,403
Total current liabilities	392,632	398,615
Long-term debt	508,972	510,981
Deferred tax liabilities, net	60,881	62,416
Accrued pension and other postretirement benefit costs	40,966	39,501
Long-term portion of environmental reserves	20,376	20,856
Other liabilities	35,875	38,406
Total Liabilities	1,059,702	1,070,775
Contingencies and Commitments (Note 10)		
Stockholders' Equity		
Common stock, $1 par value	47,798	47,715
Additional paid-in capital	86,446	79,550
Retained earnings	846,600	807,413
Accumulated other comprehensive income	95,225	93,327
	1,076,069	1,028,005
Less: Cost of treasury stock	(110,140)	(113,220)
Total Stockholders' Equity	965,929	914,785
Total Liabilities and Stockholders' Equity	**$ 2,025,631**	**$ 1,985,560**

See notes to condensed consolidated financial statements

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2008	**2007**
Cash flows from operating activities:		
Net earnings	$ 48,856	$ 40,893
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	37,510	27,912
Net loss on sales and disposals of long lived assets	285	257
Deferred income taxes	127	(2,503)
Share-based compensation	5,550	4,273
Changes in operating assets and liabilities, net of businesses acquired and disposed of:		
Decrease (increase) in receivables	7,168	(25,558)
Increase in inventories	(35,830)	(37,623)
Increase (decrease) in progress payments	4,755	(3,713)
(Decrease) increase in accounts payable and accrued expenses	(28,589)	8
Increase in deferred revenue	25,954	54,853
Decrease in income taxes payable	(15,715)	(7,141)
Decrease in net pension and postretirement assets	6,261	3,722
Decrease (increase) in other current and long-term assets	2,075	(552)
Increase (decrease) in other current and long-term liabilities	782	(1,724)
Total adjustments	10,333	12,211
Net cash provided by operating activities	59,189	53,104
Cash flows from investing activities:		
Proceeds from sales and disposals of long lived assets	7,906	124
Acquisitions of intangible assets	(175)	(293)
Additions to property, plant, and equipment	(46,596)	(23,978)
Acquisition of new businesses	(886)	(136,685)
Net cash used for investing activities	(39,751)	(160,832)
Cash flows from financing activities:		
Borrowings of debt	205,500	169,000
Principal payments on debt	(207,531)	(124,030)
Proceeds from exercise of stock options	4,039	4,635
Dividends paid	(3,589)	(2,656)
Excess tax benefits from share based compensation	360	1,209
Net cash (used for) provided by financing activities	(1,221)	48,158
Effect of exchange-rate changes on cash	427	1,830
Net increase (decrease) in cash and cash equivalents	18,644	(57,740)
Cash and cash equivalents at beginning of period	66,520	124,517
Cash and cash equivalents at end of period	$ 85,164	$ 66,777
Supplemental disclosure of investing activities:		
Fair value of assets acquired in current year acquisitions	$ 3,128	$ 156,835
Additional consideration (received) paid on prior year acquisitions	(1,467)	3,810
Liabilities assumed from current year acquisitions	(775)	(23,958)
Cash acquired	-	(2)
	$ 886	$ 136,685

See notes to condensed consolidated financial statements

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

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock
December 31, 2006	$ 47,533	$ 69,887	$ 716,030	$ 55,806	$ (127,182)
Net earnings	–	–	104,328	–	–
Pension and postretirement adjustments, net	–	–	–	11,587	–
Foreign currency translation adjustments, net	–	–	–	25,934	–
Adjustment for initial application of FIN 48	–	–	(505)	–	–
Dividends paid	–	–	(12,440)	–	–
Stock options exercised, net	182	2,198	–	–	10,515
Share-based compensation	–	7,816	–	–	3,096
Other	–	(351)	–	–	351
December 31, 2007	47,715	79,550	807,413	93,327	(113,220)
Net earnings	–	–	48,856	–	–
Pension and postretirement adjustments, net	–	–	–	215	–
Adjustment for SFAS No. 158 measurement date change	–	–	(2,494)	178	–
Foreign currency translation adjustments, net	–	–	–	1,505	–
Dividends declared	–	–	(7,175)	–	–
Stock options exercised, net	83	2,964	–	–	1,462
Share-based compensation	–	4,242	–	–	1,308
Other		(310)			310
June 30, 2008	$ 47,798	$ 86,446	$ 846,600	$ 95,225	$ (110,140)

See notes to condensed consolidated financial statements

1. BASIS of PRESENTATION

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 50 manufacturing facilities and 61 metal treatment service facilities.

The unaudited condensed consolidated financial statements include the accounts of Curtiss-Wright Corporation and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated.

The unaudited condensed consolidated financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America, which 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 includes the estimate of costs to complete long-term contracts under the percentage-of-completion accounting methods, 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, estimate for the valuation and useful lives of intangible assets, estimates for warranty reserves, and future environmental costs. Actual results may differ from these estimates. In the opinion of management, all adjustments considered necessary for a fair presentation have been reflected in these financial statements.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Corporation's 2007 Annual Report on Form 10-K. The results of operations for interim periods are not necessarily indicative of trends or of the operating results for a full year.

IMPLEMENTATION OF SFAS No. 157

Effective January 1, 2008, the Corporation adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. In accordance with Financial Accounting Standards Board Staff Position No. FAS 157-2, *Effective Date of FASB Statement No. 157* ("FSP 157-2"), the Corporation will delay by one year the effective date of SFAS No. 157 to all non-financial assets and non-financial liabilities, except those recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS No. 157 enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. SFAS No. 157 requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

As of June 30, 2008, the Corporation has valued its derivative instruments in accordance with SFAS No. 157. The fair value of these instruments is $0.2 million and are classified as other current liabilities at June 30, 2008. The Corporation utilizes the bid ask pricing that is common in the dealer markets. The dealers are ready to transact at these prices which use the mid-market pricing convention and are considered to be at fair market value. Based upon the fair value hierarchy, all of our foreign exchange derivative forwards are classified at a Level 2. The adoption of SFAS No. 157 did not have a material impact on the Corporation's consolidated financial statements.

IMPLEMENTATION OF MEASUREMENT DATE CHANGES RELATED TO S FAS No. 158

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit and Pension and Other Postretirement Plans* ("SFAS No. 158"). The initial provisions of SFAS No. 158 were adopted for Fiscal Year ended December 31, 2006. On January 1, 2008, the Corporation adopted the measurement date provisions of SFAS No. 158, which is a requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position. The Corporation has elected to utilize the second approach as provided in SFAS No.158 in implementing this provision. This approach allows an employer to use earlier measurements determined for prior year-end reporting to allocate a proportionate amount of net benefit expense for the transition period. The net transition amount was recorded as a charge to beginning retained earnings of $2.5 million, net of tax. See Note 6 for additional information on the effect of SFAS No. 158 on the Corporation.

IMPLEMENTATION OF FAIR VALUE OPTION RELATED TO S FAS No. 159

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115* ("SFAS No. 159"). SFAS No. 159 permits entities to choose to measure eligible items at fair value at specified election dates and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. SFAS No. 159 became effective for the Corporation as of January 1, 2008; however, the Corporation did not elect to measure any additional financial instruments at fair value as a result of this statement. Therefore, the adoption of SFAS No. 159 did not have an effect on the Corporation's consolidated financial statements.

2. SALE OF LONG-LIVED ASSETS

On May 9, 2008, the Corporation sold its third party commercial aerospace repair and overhaul business located in Miami, Florida for $8.2 million. The determination was made to divest the business because third party repair work was not considered a core business of the Corporation. This business was part of our Motion Control segment and contributed $18.5 million in sales and $1.8 million in pretax income for the year ended December 31, 2007. On the date of sale, the business had assets of $8.8 million and liabilities of $1.0 million, which combined with transaction costs of $0.6 million, resulted in a $0.2 million loss and is classified as a reduction of Other Income, net on the Condensed Consolidated Statement of Earnings. The Corporation did not report the disposal as discontinued operations as the amounts are not considered significant. On March 31, 2008, the Corporation performed a goodwill impairment test of the portion of the reporting unit that will be retained and concluded that no impairment charges were required.

3. RECEIVABLES

Receivables at June 30, 2008 and December 31, 2007 include amounts billed to customers, claims, other receivables, and unbilled charges 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 within one year.

The composition of receivables for those periods is as follows:

	(In thousands)	
	June 30, 2008	December 31, 2007
Billed Receivables:		
Trade and other receivables	$ 267,368	$ 288,661
Less: Allowance for doubtful accounts	(5,077)	(5,347)
Net billed receivables	262,291	283,314
Unbilled Receivables:		
Recoverable costs and estimated earnings not billed	136,110	123,695
Less: Progress payments applied	(21,332)	(14,091)
Net unbilled receivables	114,778	109,604
Receivables, net	$ 377,069	$ 392,918

4. INVENTORIES

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)	
	June 30, 2008	December 31, 2007
Raw material	$ 125,434	$ 97,580
Work-in-process	69,668	58,700
Finished goods and component parts	69,350	70,637
Inventoried costs related to U.S. Government and other long-term contracts	55,394	62,219
Gross inventories	319,846	289,136
Less: Inventory reserves	(30,235)	(30,999)
Progress payments applied, principally related to long-term contracts	(13,923)	(16,409)
Inventories, net	$ 275,688	$ 241,728

5. WARRANTY RESERVES

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. Estimated warranty costs are reduced as these costs are incurred and as the warranty period expires or may be otherwise modified as specific product performance issues are identified and resolved. Warranty reserves are included within other current liabilities on the Corporation's Condensed Consolidated Balance Sheets. The following table presents the changes in the Corporation's warranty reserves:

	(In thousands)	
	2008	2007
Warranty reserves at January 1,	$ 10,774	$ 9,957
Provision for current year sales	3,816	1,837
Increase due to acquisitions	-	177
Current year claims	(1,665)	(1,191)
Change in estimates to pre-existing warranties	(1,451)	(1,162)
Foreign currency translation adjustment	78	207
Warranty reserves at June 30,	$ 11,552	$ 9,825

6. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

In September 2006, the FASB issued SFAS No. 158. The initial provisions of SFAS No. 158 were adopted for Fiscal Year ended December 31, 2006. On January 1, 2008, the Corporation adopted the measurement date provisions of SFAS No.158, which is a requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position. The Corporation has elected to utilize the second approach as provided in SFAS No.158 in implementing this provision. This approach allows an employer to use earlier measurements determined for prior year-end reporting to allocate a proportionate amount of net benefit expense for the transition period. The expense allocated to the transition period was directly charged to retained earnings, net of tax. The net impact on the balance sheet at January 1, 2008 is to decrease prepaid pension costs by $2.7 million, increase accrued pension and postretirement benefit costs by $1.1 million, decrease deferred tax liabilities by $1.5 million, increase accumulated other comprehensive income by $0.2 million, and decrease retained earnings by $2.5 million.

The following tables are consolidated disclosures of all domestic and foreign defined pension plans as described in the Corporation's 2007 Annual Report on Form 10-K. The postretirement benefits information includes the domestic Curtiss-Wright Corporation and EMD postretirement benefit plans, as there are no foreign postretirement benefit plans.

Pension Plans
The components of net periodic pension cost for the three and six months ended June 30, 2008 and 2007 were:

	(In thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Service cost	$ 5,746	$ 4,878	$ 11,490	$ 10,053
Interest cost	5,334	4,828	10,666	9,527
Expected return on plan assets	(7,560)	(7,036)	(15,118)	(14,087)
Amortization of prior service cost	130	127	260	240
Recognized net actuarial loss	149	149	298	254
Net periodic benefit cost	$ 3,799	$ 2,946	$ 7,596	$ 5,987

During the six months ended June 30, 2008, the Corporation made no contributions to the Curtiss-Wright Pension Plan, and expects to make no contributions in 2008. In addition, contributions of $1.6 million were made to the Corporation's foreign benefit plans during the first six months of 2008. Contributions to the foreign plans are expected to be $3.5 million in 2008.

Other Postretirement Benefit Plans

The components of the net postretirement benefit cost for the Curtiss-Wright and EMD postretirement benefit plans for the three and six months ended June 30, 2008 and 2007 were:

	(In thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Service cost	$ 169	$ 132	$ 338	$ 264
Interest cost	452	428	904	856
Recognized net actuarial gain	(130)	(133)	(259)	(266)
Net periodic benefit cost	$ 491	$ 427	$ 983	$ 854

During the six months ended June 30, 2008, the Corporation has paid $1.0 million on the postretirement plans. During 2008, the Corporation anticipates contributing $2.0 million to the postretirement plans.

7. EARNINGS PER SHARE

Diluted earnings per share were computed based on the weighted average number of shares outstanding plus all potentially dilutive common shares. A reconciliation of basic to diluted shares used in the earnings per share calculation is as follows:

	(In thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Basic weighted-average shares outstanding	44,631	44,256	44,607	44,200
Dilutive effect of share-based compensation awards and deferred stock compensation	724	659	683	615
Diluted weighted-average shares outstanding	45,355	44,915	45,290	44,815

At June 30, 2008 and 2007, there were 355,000 and 870 stock options outstanding, respectively, that could potentially dilute earnings per share in the future, and were excluded from the computation of diluted earnings per share for the three and six months ended June 30, 2008 and 2007 as they would have been anti-dilutive for those periods.

8. SEGMENT INFORMATION

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.

	(In thousands) Three Months Ended June 30, 2008					
	Flow Control	Motion Control	Metal Treatment	Segment Total	Corporate & Other [1]	Consolidated
Revenue from external customers	$ 226,662	$ 156,661	$ 70,141	$ 453,464	$ –	$ 453,464
Intersegment revenues	–	1,660	226	1,886	(1,886)	–
Operating income (expense)	21,252	16,027	14,929	52,208	(2,536)	49,672

	(In thousands) Three Months Ended June 30, 2007					
	Flow Control	Motion Control	Metal Treatment	Segment Total	Corporate & Other [1]	Consolidated
Revenue from external customers	$ 163,198	$ 138,949	$ 63,429	$ 365,576	$ –	$ 365,576
Intersegment revenues	–	24	237	261	(261)	–
Operating income (expense)	10,030	15,585	12,987	38,602	(193)	38,409

	(In thousands) Six Months Ended June 30, 2008					
	Flow Control	Motion Control	Metal Treatment	Segment Total	Corporate & Other [1]	Consolidated
Revenue from external customers	$ 437,624	$ 311,493	$ 137,726	$ 886,843	$ –	$ 886,843
Intersegment revenues	–	1,793	466	2,259	(2,259)	–
Operating income (expense)	35,258	29,950	28,029	93,237	(2,838)	90,399

	(In thousands) Six Months Ended June 30, 2007					
	Flow Control	Motion Control	Metal Treatment	Segment Total	Corporate & Other [1]	Consolidated
Revenue from external customers	$ 300,891	$ 270,206	$ 127,088	$ 698,185	$ –	$ 698,185
Intersegment revenues	–	577	513	1,090	(1,090)	–
Operating income (expense)	20,025	28,870	25,957	74,852	(1,301)	73,551

	(In thousands) Identifiable Assets					
	Flow Control	Motion Control	Metal Treatment	Segment Total	Corporate & Other	Consolidated
June 30, 2008	$ 874,169	$ 813,486	$ 248,476	$ 1,936,131	$ 89,500	$ 2,025,631
December 31, 2007	867,075	800,565	234,978	1,902,618	82,942	1,985,560

[1] Operating expense for Corporate and Other includes pension expense, environmental remediation and administrative, legal, and other expenses.

Adjustments to reconcile to earnings before income taxes:

	(In thousands) Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Total segment operating income	$ 52,208	$ 38,602	$ 93,237	$ 74,852
Corporate and other	(2,536)	(193)	(2,838)	(1,301)
Other income, net	224	466	698	1,350
Interest expense	(7,176)	(5,704)	(14,759)	(11,204)
Earnings before income taxes	$ 42,720	$ 33,171	$ 76,338	$ 63,697

9. COMPREHENSIVE INCOME

Total comprehensive income for the three and six months ended June 30, 2008 and 2007 are as follows:

	(In thousands)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net earnings	$ 27,077	$ 21,390	$ 48,856	$ 40,893
Equity adjustment from foreign currency translations, net	716	13,013	1,505	14,262
Defined benefit pension and post-retirement plan, net	88	230	215	47
Total comprehensive income	$ 27,881	$ 34,633	$ 50,576	$ 55,202

The equity adjustment from foreign currency translation represents the effect of translating the assets and liabilities of the Corporation's non-U.S. entities. This amount is impacted year-over-year by foreign currency fluctuations and by the acquisitions of foreign entities.

10. CONTINGENCIES AND COMMITMENTS

The Corporation's environmental obligations have not changed significantly from December 31, 2007. The aggregate environmental obligation was $22.3 million at June 30, 2008 and $23.0 million at December 31, 2007. All environmental reserves exclude any potential recovery from insurance carriers or third-party legal actions.

The Corporation, through its Flow Control segment, has several Nuclear Regulatory Commission ("NRC") licenses necessary for the continued operation of its commercial nuclear operations. In connection with these licenses, the NRC requires 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 cost to decommission the refurbishment facility, which is planned for 2017, is $4.1 million and is included in our environmental liabilities.

The Corporation enters into standby letters of credit agreements with financial institutions and customers primarily relating to guarantees of repayment on certain Industrial Revenue Bonds, future performance on certain contracts to provide products and services and to secure advance payments the Corporation has received from certain international customers. At June 30, 2008 and December 31, 2007, the Corporation had contingent liabilities on outstanding letters of credit of $40.6 million and $40.0 million, respectively.

In January of 2007, a former executive was awarded approximately $9.0 million in punitive and compensatory damages plus legal costs related to a gender bias lawsuit filed in 2003. The Corporation has recorded a $6.5 million reserve related to the lawsuit and has filed an appeal to the verdict. The Corporation has determined that it is probable that the punitive damages verdict will be reversed on appeal; therefore, no reserve has been recorded for that portion.

The Corporation is party to a number of 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.

FORWARD-LOOKING STATEMENTS

Except for historical information, this Quarterly Report on Form 10-Q may be deemed to contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements 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 statements can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "could," "anticipates," the negative of any of the foregoing or variations of such terms or comparable terminology, or by discussion of strategy. No assurance may be given that the future results described by the forward-looking statements 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 statements. Such statements in this Quarterly Report on Form 10-Q include, without limitation, those contained in Item 1. Financial Statements and Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. 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 and estimates to complete;
- 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;
- ability of outside third parties to comply with their commitments;
- product demand and market acceptance risks;
- the effect of economic conditions;
- the impact of competitive products and pricing; product development, commercialization, and technological difficulties;
- social and economic conditions and local regulations in the countries in which the Corporation conducts its businesses;
- 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. and Foreign Government defense budgets;
- contract continuation and future contract awards;
- U.S. and international military budget constraints and determinations;
- the other factors discussed under the caption "Risk Factors" in the Corporation's 2007 Annual Report on Form 10-K; and
- other factors that generally affect the business of companies operating in the Corporation's markets and/or industries.

These forward-looking statements speak only as of the date they were made and the Corporation assumes no obligation to update forward-looking statements to reflect actual results or changes in or additions to the factors affecting such forward-looking statements.

COMPANY ORGANIZATION

Curtiss-Wright Corporation is a diversified, multinational provider of highly engineered, technologically advanced, value-added products and services to a broad range of industries in the motion control, flow control, and metal treatment markets. We are positioned as a market leader across a diversified array of niche markets through engineering and technological leadership, precision manufacturing, and strong relationships with our customers. We provide products and services to a number of global markets, such as defense, commercial aerospace, power generation, oil and gas, automotive, and general industrial. We have achieved balanced growth through the successful application of our core competencies in engineering and precision manufacturing, adapting these competencies to new markets through internal product development, and a disciplined program of strategic acquisitions. Our overall strategy is to be a balanced and diversified company, less vulnerable to cycles or downturns in any one market, and to establish strong positions in profitable niche markets. Approximately 35% of our revenues are generated from defense-related markets.

We manage and evaluate our operations based on the products and services we offer and the different industries and markets we serve. Based on this approach, we have three reportable segments: Flow Control, Motion Control, and Metal Treatment. For further information on our products and services and the major markets served by our three segments, please refer to our 2007 Annual Report on Form 10-K.

RESULTS of OPERATIONS

Analytical definitions

Throughout management's discussion and analysis of financial condition and results of operations, the terms "incremental" and "base" are used to explain changes from period to period. The term "incremental" is used to highlight the impact acquisitions had on the current year results, for which there was no comparable prior-year period. Therefore, the results of operations for acquisitions are incremental for the first twelve months from the date of acquisition. The remaining businesses are referred to as the "base" businesses, and growth in these base businesses is referred to as "organic". Additionally, on May 9, 2008, we sold our commercial aerospace repair and overhaul business located in Miami, Florida. The results of operations for this business have been removed from the comparable prior year periods for purposes of calculating organic growth figures and are included as a reduction of our incremental results of operations from our acquisitions.

Therefore, for the three months ended June 30, 2008, our organic growth does not include operating results of Benshaw, Inc. ("Benshaw") and IMC Magnetics Corporation ("IMC"), one month of operating results for Scientech, LLC ("Scientech"), and two months of operating results of Valve Systems and Controls, L.P. ("VSC"), which are considered incremental. Similarly, our organic growth calculation for the six months ended June 30, 2008 excludes the results of operations of Benshaw and IMC, four months of operating results for Scientech, and five months of operating results of VSC. Additionally, the organic growth calculations for both the three months and six months ended June 30, 2008 exclude two months of our 2007 operating results from our commercial aerospace repair and overhaul business, as noted above, and these amounts are included as a reduction of our incremental results of operations.

Three months ended June 30, 2008

Sales for the second quarter of 2008 totaled $453 million, an increase of 24% from sales of $366 million for the second quarter of 2007. New orders received for the current quarter of $877 million increased 141% from new orders of $366 million for the second quarter of 2007. The acquisitions made in 2007 contributed $40 million in incremental new orders received in the second quarter of 2008. Backlog increased 34% to $1,745 million at June 30, 2008 from $1,304 million at December 31, 2007. Approximately 34% of our backlog is defense-related.

Sales growth for the second quarter of 2008, as compared to the same period last year, was due to strong organic growth of 11% and incremental sales of $49 million. Our Flow Control and Metal Treatment segments each experienced organic growth of 11% compared to the prior year period, while our Motion Control segment's organic sales increased 10% in the second quarter of 2008 as compared to the prior year period.

In our base businesses, higher sales to the power generation, oil and gas, and defense markets drove our organic sales growth. Sales to the power generation market increased $15 million, primarily within our Flow Control segment, resulting from sales of our next generation reactor coolant pumps for the new AP1000 nuclear reactors being constructed in China. Sales to the oil and gas market increased $11 million organically, driven primarily by our Flow Control segment's traditional valve products, engineering services, field service work, and the continued market penetration of our coker valve product as the oil and gas market continues its increased capital spending. Sales to the defense markets increased $7 million, as higher sales of embedded computing products to the aerospace and ground defense markets were offset partially by lower naval sales of our flow control products due to timing of U.S. Navy procurement cycles. In addition, foreign currency translation favorably impacted sales by $4 million for the quarter ended June 30, 2008 compared to the prior year period.

Operating income for the second quarter of 2008 totaled $50 million, a 29% increase over the same period last year of $38 million. Organic operating income increased 25% driven primarily by our Flow Control segment, which experienced organic operating income growth of 95% over the comparable prior year period. Our Metal Treatment and Motion Control segments experienced organic operating income growth of 14% and 2%, respectively, over the comparable prior year period. Additionally, the second quarter of 2008 benefited from $2 million of incremental operating income as compared to the prior year period. Foreign currency translation had an unfavorable impact of $1 million on operating income for the second quarter of 2008, as compared to the prior year period.

Overall operating income margins increased 50 basis points from 10.5% to 11.0%, with our base businesses experiencing 11.9% operating income margins, offset slightly by our 2007 acquisitions, which experienced operating income margins of 4.1%. Operating margins from our 2007 acquisitions were negatively impacted by first year intangible amortization expense, which generally runs higher in the earlier years. In our base businesses, the organic operating income growth is primarily attributable to the higher 2008 sales volume and 2007 cost overruns on fixed price development contracts for the U.S. Navy and business consolidation costs in our Flow Control segment that did not recur in 2008. These favorable impacts were partially offset by increased general and administrative expenses, which in total were up $20 million, or 43% over the prior year period. The 2007 acquisitions accounted for $11 million of incremental general and administrative expenses, including $3 million of amortization expense. The base businesses experienced general and administrative cost growth of 20% in the second quarter of 2008, ahead of the organic sales growth of 11%, primarily due to higher labor costs and associated employee benefits in support of our growing infrastructure.

Net earnings for the second quarter of 2008 totaled $27 million, or $0.60 per diluted share, an increase of 27% when compared to the prior year period, as the higher operating income noted above was partially offset by a $1 million increase in interest expense and a $4 million increase in tax expense. Interest expense increased on higher average debt levels offset partially by lower interest rates. Our effective tax rate for the second quarter of 2008 was 36.6% as compared to 35.5% during the second quarter of 2007. The increase in our effective tax rate represents normal and customary changes in rates and estimates, none of which had a significant impact on either quarter.

Six months ended June 30, 2008

Sales for the first six months of 2008 totaled $887 million, an increase of 27% from sales of $698 million for same period last year. New orders received for the first six months of 2008 of $1,327 million were up 75% over the new orders of $758 million for the first six months of 2007. The acquisitions made in 2007 contributed $105 million in incremental new orders received in the first six months of 2008.

Organic sales growth was 10% for the first six months of 2008, as compared to the same period last year, with each of our segments contributing to the growth. Our Motion Control, Flow Control, and Metal Treatment segments increased organic sales 12%, 10% and 8%, respectively, in the first six months of 2008 as compared to the prior year period. Sales for the first six months of 2008 also benefited from incremental sales of $117 million.

In our base businesses, power generation, oil and gas, and ground defense markets drove our organic sales growth. Sales to the power generation market increased $26 million, primarily within our Flow Control segment, resulting from sales of our next generation reactor coolant pumps for the new AP1000 nuclear reactors being constructed in China. Sales to the oil and gas market increased $16 million organically, driven primarily by our Flow Control segment's traditional valve products, engineering services, field service work, and the continued market penetration of our coker valve product as the oil and gas market continues its increased capital spending. Sales to the ground defense market increased $14 million over the prior year period due to increased demand for our embedded computing products for the Bradley Fighting Vehicle, primarily on the Improved Bradley Acquisition System ("IBAS"). In addition, foreign currency translation favorably impacted sales by $9 million for the first six months of 2008, compared to the prior year period.

Operating income for the first six months of 2008 totaled $90 million, up 23% over the $74 million of operating income from the same period last year. Overall organic operating income increased 16% over the comparable period driven primarily by our Flow Control segment, which experienced organic operating income growth of 54%. Our Metal Treatment and Motion Control segments experienced organic operating income growth of 8% and 3%, respectively. The first six months of 2008 also benefited from $5 million of incremental operating income.

Overall operating income margins for the first six months of 2008 declined 30 basis points from 10.5% in the comparable prior year period to 10.2%. Our base businesses experienced 11.1% operating income margins in the first six months of 2008, while our 2007 acquisitions experienced operating income margins of 4.2% during the same time period. Operating margins from our 2007 acquisitions were negatively impacted by first year intangible amortization expense, which generally runs higher in the earlier years. In our base businesses, the organic operating income growth is primarily attributable to the higher 2008 sales volume and 2007 cost overruns on fixed price development contracts for the U.S. Navy and business consolidation costs in our Flow Control segment that did not recur in 2008. These favorable impacts were partially offset by increased general and administrative expenses, which in total were up $35 million, or 39% over the prior year period. The 2007 acquisitions accounted for $20 million of incremental expense, including $7 million of amortization expense. The base businesses experienced an increase of 16% in general and administrative costs during the first half of 2008, ahead of the organic sales growth of 10%, primarily due to higher labor costs and associated employee benefits in support of our growing infrastructure. Additionally, foreign currency translation had an unfavorable impact on operating income of $3 million for the first six months of 2008, as compared to the prior year period.

Net earnings for the first six months of 2008 totaled $49 million, or $1.08 per diluted share, an increase of 19% as compared to the net earnings for the first six months of 2007 of $41 million, or $0.91 per diluted share. Interest expense increased $4 million on higher average debt levels offset by lower interest rates. Our effective tax rate for the first six months of 2008 was 36.0% as compared to 35.8% in 2007.

Segment Operating Performance:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2008	2007	Change %	2008	2007	Change %
Sales:						
Flow Control	$ 226,662	$ 163,198	38.9%	$ 437,624	$ 300,891	45.4%
Motion Control	156,661	138,949	12.7%	311,493	270,206	15.3%
Metal Treatment	70,141	63,429	10.6%	137,726	127,088	8.4%
Total Sales	**$ 453,464**	**$ 365,576**	**24.0%**	**$ 886,843**	**$ 698,185**	**27.0%**
Operating Income:						
Flow Control	$ 21,252	$ 10,030	111.9%	$ 35,258	$ 20,025	76.1%
Motion Control	16,027	15,585	2.8%	29,950	28,870	3.7%
Metal Treatment	14,929	12,987	15.0%	28,029	25,957	8.0%
Total Segments	**52,208**	**38,602**	**35.2%**	**93,237**	**74,852**	**24.6%**
Corporate & Other	(2,536)	(193)	1,214.0%	(2,838)	(1,301)	118.1%
Total Operating Income	**$ 49,672**	**$ 38,409**	**29.3%**	**$ 90,399**	**$ 73,551**	**22.9%**
Operating Margins:						
Flow Control	9.4%	6.1%		8.1%	6.7%	
Motion Control	10.2%	11.2%		9.6%	10.7%	
Metal Treatment	21.3%	20.5%		20.4%	20.4%	
Total Curtiss-Wright	**11.0%**	**10.5%**		**10.2%**	**10.5%**	

Flow Control

Sales for the Corporation's Flow Control segment increased 39% to $227 million for the second quarter of 2008 from $163 million in the second quarter of 2007. The increase in sales was driven by strong organic sales growth of 11% and contributions from our 2007 acquisitions of $46 million. The organic sales growth was driven by a $13 million increase in sales to the power generation market and increased sales in the oil and gas market which increased $11 million. These improvements were partially offset by lower sales to the U.S. Navy of $6 million in the second quarter of 2008 as compared to the prior year period. Higher organic sales to the power generation market were mainly driven by sales of $14 million for our next generation reactor coolant pumps for the new AP1000 nuclear reactors being constructed in China. The improvement in the oil and gas market was driven primarily by our traditional valve products, engineering services, field service work, and the continued market penetration of our coker valve product as the oil and gas market continues its increased capital spending. The strong commercial sales were partially offset by lower sales to the U.S. Navy due mainly to the timing of their procurement cycle, primarily from lower submarine and aircraft carrier work. Foreign currency translation had a slight favorable impact on this segment's sales for the second quarter of 2008 as compared to the prior year period.

Operating income for the second quarter of 2008 was $21 million, an increase of 112% as compared to $10 million for the same period last year, driven mainly by organic growth of 95%. The organic operating income growth was due to higher demand for our valve products, improved sales mix, and better cost performance in the oil and gas market. The operating income in the prior year was adversely impacted by cost overruns on fixed priced U.S. Navy development contracts and business consolidation costs associated with integrating our Tapco and Enpro business units. In the second quarter of 2008, our 2007 acquisitions added $2 million of incremental operating income as compared to the prior year period. Foreign currency translation had a slightly unfavorable impact on operating income in the second quarter of 2008 as compared to the prior year period.

Sales for the first six months of 2008 were $438 million, an increase of 45% over the same period last year of $301 million. Acquisitions contributed $107 million to this segment's sales during the first six months of 2008. The segment also experienced organic sales growth of 10% in the first six months of 2008 as compared to the prior year period primarily resulting from higher sales to the power generation market of $23 million and higher sales to the oil and gas market of $15 million. Partially offsetting these improvements were lower sales to the U.S. Navy of $6 million and U.S. Army of $1 million. Higher organic sales to the power generation market were mainly driven by sales of $27 million for our next generation reactor coolant pumps for the new AP1000 nuclear reactors being constructed in China. Lower sales of new and remanufactured electro-mechanical motors due to the timing of orders partially offset the higher pump sales. The change in the sales to the power generation market was driven by customer maintenance schedules that often vary in timing. Revenues derived from the oil and gas market were driven by our traditional valves, engineering services, and field service work contributed to the remaining increase to the oil and gas market over the same period in 2007 as increased capital spending and repair and maintenance expenditures by refineries worldwide continues as they invest money to increase capacity and improve plant efficiencies. Additionally, sales of our coker valve product increased as it continues to gain greater market acceptance in the industry and our installed base continues to perform well. The lower sales to the U.S. Navy were mainly driven by decreased generator and pump sales of $13 million resulting from the wind down of funded contracts for the Virginia-class submarines and CVN aircraft carrier. Partially offsetting these declines in the naval market in the first half of 2008 were higher development work for naval surface ships and aircraft carriers of $9 million. Foreign currency translation favorably impacted this segment's sales by $1 million in the first half of 2008 as compared to the prior year period.

Operating income for the first six months of 2008 was $35 million, an increase of 76% as compared to $20 million for the same period last year. The improvement in the first six months of 2008 was driven by strong organic operating income of 54%. In addition, acquisitions contributed $5 million in incremental operating income in the first six months of 2008. The organic operating income growth was due to higher demand for our valve products, improved sales mix, and better cost performance in the oil and gas market. The higher operating income was partially offset by continued investments in new technology development contracts both for the U.S. Navy and power generation markets. The operating income in the prior year was adversely impacted by cost overruns on fixed priced U.S. Navy development contracts and business consolidation costs associated with integrating our Tapco and Enpro business units, and higher material costs within our oil and gas market. Higher organic operating expenses were mainly due to higher general and administrative costs in order to support our infrastructure growth, partially offset by the timing of lower research and development expenses. Foreign currency translation minimally impacted this segment's operating income in the first six months of 2008 as compared to the prior year period.

New orders received for the Flow Control segment totaled $597 million in the second quarter of 2008 and $826 million for the first six months of 2008, representing an increase of 359% and 158%, respectively, over the same periods in 2007. This tremendous growth was due in large part to orders in excess of $300 million for our next generation reactor coolant pumps to be used in the AP1000 nuclear power plants to be built by Westinghouse in the U.S. In addition, we had strong orders for our valves used in the oil and gas market. The 2007 acquisitions contributed $36 million and $90 million in incremental new orders received in the second quarter and first six months of 2008, respectively, over the prior year periods. Backlog increased 50% to $1,163 million at June 30, 2008 from $776 million at December 31, 2007.

Motion Control

Sales for our Motion Control segment increased 13% to $157 million in the second quarter of 2008 from $139 million in the second quarter of 2007. The increase in sales was driven by strong organic sales growth of 10% and incremental sales of $4 million. The increased organic revenue was primarily due to higher sales of $7 million and $5 million to the aerospace and ground defense markets, respectively. The increase in sales to the aerospace defense market was primarily driven by increased demand for our embedded computing products on various programs, including the F-16, F-22, V-22, and Global Hawk. Additionally, our integrated sensing products continue to provide steady growth opportunities on both military and commercial helicopter programs, and added to the increase in sales to the aerospace defense market in the second quarter. Ground defense product sales were driven primarily by higher sales of embedded computing products for the IBAS program, which added $4 million to the sales increase. Foreign currency translation favorably impacted sales for the second quarter of 2008 by $3 million as compared to the prior year period.

Operating income for the second quarter of 2008 was essentially flat at $16 million, a 3% increase over the prior year period. Our organic operating income growth was 2% as a result of the higher sales volume noted above, partially offset by unfavorable product mix, higher research and development costs, and the effect of foreign currency translation. This segment's gross margins declined 120 basis points primarily as a result of lower margin product sales in the current quarter as compared to the prior year quarter. Research and development costs increased $2 million, or 30% as compared to the prior year period due to the support of strategic initiatives, primarily within our embedded computing group. In addition, unfavorable foreign currency translation negatively impacted operating income by $1 million and operating margin by 70 basis points in the quarter. Although foreign currency translation had a favorable impact on sales, the net impact to operating income was unfavorable mainly due to the Canadian operations having a significant amount of sales denominated in U.S. dollars and operating costs denominated in Canadian dollars. Thus, changes in the Canadian exchange rate directly impact operating costs with no offsetting impact on sales.

Sales for the first six months of 2008 were $311 million, an increase of 15% from sales of $270 million during the first six months of 2007. Organic growth was 12% while incremental sales added $10 million to the first half of 2008. The organic revenue growth in the first six months of 2008 was due to higher sales across all of this segment's major markets. Specifically, sales to the ground defense, aerospace defense, and commercial aerospace markets increased $15 million, $4 million and $3 million, respectively. The increase in ground defense sales was due to increased upgrades that are continuing on the Bradley Fighting Vehicle platform. Shipments of our embedded computing products for the new IBAS program added $11 million to the increase, while the remaining increase was due to higher sales of power control and distribution production and spares units. The improvement in the aerospace defense market for the year-to-date is due primarily to increased demand on the F-16, F-22, V-22, Global Hawk and various military helicopter programs. Commercial aerospace sales to original equipment aircraft manufacturers drove the organic growth in this market, primarily for our content on the Boeing 700 series platforms, which benefited from an increasing order base on the 737 platform and new programs associated with the 787 aircraft. Foreign currency translation favorably impacted sales for the first six months of 2008 by $5 million.

Operating income for the first six months of 2008 was $30 million, an increase of 4% over the same period last year of $29 million. Our organic operating income growth was 3% as a result of the higher sales volume noted above, partially offset by lower gross margin percentages, higher research and development costs, and the effect of foreign currency translation. While there was an increase in the sales volume as noted above, the organic gross margin percentage declined 150 basis points due primarily to unfavorable sales mix and additional work on development and new production programs. Research and development costs increased $4 million, or 30% as compared to the prior year period due to the support of strategic initiatives, primarily within our embedded computing group. Additionally, this segment's operating income was adversely impacted by foreign currency translation of $3 million in the first six months of 2008, as compared to the first six months of 2007.

New orders received for the Motion Control segment totaled $209 million in the second quarter of 2008, an increase of 22% over the same period last year of $172 million, and $363 million for the first six months of 2008, representing an increase of 17% from 2007. Our 2007 acquisition contributed $14 million in incremental new orders received in the first half of 2008. The year-to-date increase was mainly due to significant contract wins for ground defense controller systems, naval defense systems, and ground defense systems. Total backlog increased 10% to $579 million at June 30, 2008 from $526 million at December 31, 2007.

Metal Treatment

Sales for our Metal Treatment segment totaled $70 million for the second quarter of 2008, up 11% when compared with $63 million in the second quarter of 2007. The sales growth was all organic and driven by increased sales in most of this segment's major markets offset by a decline in the automotive industry. Sales to the commercial aerospace and general industrial markets each increased $3 million over the prior year period, while sales to the power generation market increased $2 million. The increase in sales to the commercial aerospace market were driven by sales of our European shot peening, North American coatings and laser peening services to OEM's based on their increased production requirements, while the increase experienced within the general industrial market is being driven by European demand for shot peening services and domestic demand of our heat treating services. Sales to the power generation market were higher than prior year primarily due to a shot peening development project in the power generation market. Offsetting these increases was a decline in sales to the automotive market of $3 million, primarily for our domestic shot peening and coatings services, due to the industry's lower production requirements. North American shot peening services to the automotive market during the second quarter of 2008 were also hampered by the United Auto Workers strike against a major supplier to General Motors. In addition, foreign currency translation favorably impacted sales for the second quarter of 2008 by $2 million compared to the prior year period.

Operating income for the second quarter of 2008 increased 15% to $15 million from $13 million for the same period last year. The growth in operating income is all organic and due to the increase in sales and favorable product mix. Gross margin percentages increased 90 basis points primarily on favorable product mix with greater European shot peening and laser peening sales that carry a higher margin than this segment's other products and services, while operating expenses increased 11% due to the growth in the business. F oreign currency translation had a slight favorable impact on this segment's operating income for the second quarter of 2008 as compared to the prior year period.

Sales for our Metal Treatment segment totaled $138 million for the first six months of 2008, up 8% when compared with $127 million for the comparable period of 2007. The sales growth was all organic and driven by increased sales in most of this segment's major markets offset by a decline in the automotive industry. Sales to the commercial aerospace and general industrial markets each increased $4 million over the prior year period, while sales to the power generation market increased $3 million. The increase in sales to the commercial aerospace market were driven by sales of our European shot peening, North American coatings and laser peening services to OEM's based on their increased production requirements, while the increase experienced within the general industrial market is being driven by European demand for shot peening services and domestic demand of our heat treating services. Sales to the power generation market were higher than the prior year primarily due to a shot peening development project in the power generation market. Offsetting these increases was a decline in sales to the automotive market of $4 million. Sales to the automotive market declined as our North American shot peening services were hampered by the aforementioned United Auto Workers strike, and demand for our coating services declined due primarily to the industry's lower production requirements. In addition, foreign currency translation favorably impacted sales for the first six months of 2008 by $3 million as compared to the prior year period.

Operating income for the first six months of 2008 increased 8% to $28 million from $26 million for the same period last year. The growth in operating income is all organic and due primarily to the higher sales volume. Gross margin percentages increased 30 basis points primarily on favorable sales mix and productivity gains partially offset by increased labor costs and start up costs related to new shot peening facilities. Additionally, operating expenses increased 10% over the prior year period, and ahead of the segment's sales growth of 8%, primarily due to increased labor costs to support the growing business. Foreign currency translation favorably impacted operating income in the first six months of 2008 by $1 million as compared to the prior year period.

Corporate and Other

Non-segment operating expense increased $2 million for both the second quarter and first six months of 2008 versus the comparable prior year periods. The increase was primarily due to a higher pension expense associated with the Curtiss-Wright pension plans and higher legal costs.

Interest Expense

Interest expense increased $1 million and $4 million for the second quarter and first six months of 2008 versus the comparable prior year periods, respectively. The increases were due to higher average outstanding debt partially offset by lower interest rates. Our average outstanding debt increased approximately 50% for the three months and six months ended June 30, 2008, while our average rate of borrowing decreased 100 basis points for the second quarter of 2008 and 60 basis points for the first six months of 2008, as compared to the comparable prior year periods.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Use of Cash

We derive the majority of our operating cash inflow from receipts on the sale of goods and services and cash outflow for the procurement of materials and labor; cash flow is therefore subject to market fluctuations and conditions. A substantial portion of our 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 milestone) that provide us 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.

Operating Activities

Our working capital was $403 million at June 30, 2008, an increase of $43 million from the working capital at December 31, 2007 of $360 million. The ratio of current assets to current liabilities was 2.0 to 1.0 at June 30, 2008 versus 1.9 to 1.0 at December 31, 2007. Cash and cash equivalents totaled $85 million at June 30, 2008, up from $67 million at December 31, 2007. Days sales outstanding at June 30, 2008 were 54 days as compared to 51 days at December 31, 2007. Inventory turns were 4.6 for the six months ended June 30, 2008, as compared to 5.3 at December 31, 2007.

Excluding cash, working capital increased $25 million from December 31, 2007. Working capital changes were primarily affected by a an increase in inventory of $36 million due to build up for future 2008 sales, stocking of new programs, and purchase of long lead materials and a decrease of $29 million in accounts payable and accrued expenses due to the payments of annual compensation plans and lower days payable outstanding. Offsetting these working capital increases was an increase in deferred revenue of $26 million due primarily to the advance payments related mainly to the domestic AP1000 project and a decrease in receivables of $7 million due to lower sales volume in the second quarter of 2008 versus the fourth quarter of 2007.

Investing Activities

Capital expenditures were $47 million in the first six months of 2008. Principal capital expenditures included new and replacement machinery and equipment and the expansion of new product lines within the business segments, specifically the AP1000 program, which accounted for approximately $18 million in the first six months of 2008. We expect to make additional capital expenditures of approximately $60 million during the remainder of 2008 on machinery and equipment for ongoing operations at the business segments, expansion of existing facilities, and investments in new product lines and facilities, primarily related to the AP1000 project.

Financing Activities

During the first six months of 2008, we used $150 million in available credit under the 2007 Senior Unsecured Revolving Credit Agreement to fund investing activities. The unused credit available under this Revolving Credit Agreement at June 30, 2008 was $226 million. The Revolving Credit Agreement expires in August 2012. The loans outstanding under the 2003 and 2005 Senior Notes, Revolving Credit Agreement, and Industrial Revenue Bonds had fixed and variable interest rates averaging 4.6% during the second quarter of 2008 and 5.6% for the comparable prior year period.

CRITICAL ACCOUNTING POLICIES

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of these 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. A summary of significant accounting policies and a description of accounting policies that are considered critical may be found in our 2007 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission on February 27, 2008, in the Notes to the Consolidated Financial Statements, Note 1, and the Critical Accounting Policies section of Management's Discussion and Analysis of Financial Condition and Results of Operations.

Recently issued accounting standards:

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141 (Revised 2007), *Business Combinations* ("SFAS No. 141(R)"). SFAS No. 141(R) will change the accounting treatment for certain specific items, including, but not limited to: acquisition costs will be generally expensed as incurred; non-controlling interests will be valued at fair value at the acquisition date; acquired contingent liabilities will be recorded at fair value at the acquisition date and subsequently measured at either the higher of such amount or the amount determined under existing guidance for non-acquired contingencies; in-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date; restructuring costs associated with a business combination will be generally expensed subsequent to the acquisition date; and changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense. SFAS No. 141(R) also includes several new disclosure requirements. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The impact that the adoption of this statement will have on the Corporation's results of operation or financial condition will depend on future acquisitions.

On March 19, 2008, the FASB issued Statement of Financial Accounting Standards No. 161, *Disclosures About Derivative Instruments and Hedging Activities* – an amendment of FASB Statement No. 133 ("SFAS No. 161"). SFAS No. 161 amends SFAS No. 133 by requiring expanded disclosures about an entity's derivative instruments and hedging activities, but does not change the statements scope or accounting. SFAS No. 161 requires increased qualitative, quantitative, and credit-risk disclosures. The disclosure will require companies to explain how and why the entity is using the derivative instrument, how the entity is accounting for the instrument, and how the instrument affects the entity's financial position, financial performance and cash flows. SFAS No. 161 also amends Statement of Financial Accounting Standards No. 107 ("SFAS No. 107") to clarify that the derivative instruments are subject to SFAS No. 107's concentration of credit risk disclosures. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early adoption permitted. We do not expect the adoption of this statement will have a material impact on the Corporation's results of operations or financial condition.

In April 2008, the FASB issued FASB Staff Position No. 142-3, *Determination of the Useful Life of Intangible Assets* ("FSP 142-3"). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS No. 142). The objective of FSP 142-3 is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of expected cash flows used to measure the fair value of the asset under SFAS No. 141(R) , and other generally accepted accounting principles accepted in the United States. This FSP applies to all intangible assets, whether acquired in a business combination or otherwise and shall be effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years and applied prospectively to intangible assets acquired after the effective date. Early adoption is prohibited. We do not anticipate that the adoption of this FSP will have a material impact on the Corporation's results of operation or financial condition.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles* ("SFAS No. 162"). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles. SFAS No. 162 is effective 60 days following the Securities and Exchange Commission's approval of the Public Company Accounting Oversight Board Auditing amendments to AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles* . The adoption of this statement will not have a material impact on the Corporation's results of operation or financial condition.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no material changes in the Corporation's market risk during the six months ended June 30, 2008. Information regarding market risk and market risk management policies is more fully described in item "7A. Quantitative and Qualitative Disclosures about Market Risk" of the Corporation's 2007 Annual Report on Form 10-K.

Item 4. CONTROLS AND PROCEDURES

As of June 30, 2008, 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 quarter ended June 30, 2008 that have materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

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

We or our subsidiaries have been named in a number of lawsuits that allege injury from exposure to asbestos. To date, neither us nor our subsidiaries have been found liable or paid any material sum of money in settlement in any case. We believe that the minimal use of asbestos in our past and current operations and the relatively non-friable condition of asbestos in our products makes it unlikely that we will face material liability in any asbestos litigation, whether individually or in the aggregate. We do maintain insurance coverage for these potential liabilities and we believe adequate coverage exists to cover any unanticipated asbestos liability.

Item 1A. RISK FACTORS

There has been no material changes in our Risk Factors during the six months ended June 30, 2008. Information regarding our Risk Factors is more fully described in Item "1A. Risk Factors" of the Corporation's 2007 Annual Report on Form 10-K.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 2, 2008, the Corporation held its annual meeting of stockholders. The matters submitted to a vote by the stockholders were the election of directors, and the appointment of independent accountants for the Corporation.

The votes received by the director nominees were as follows:

	For	Withheld
Martin R. Benante	40,948,523	439,159
S. Marce Fuller	40,966,590	421,092
Allen A. Kozinski	41,100,021	287,662
Carl G. Miller	41,099,485	288,197
William B. Mitchell	40,967,631	420,052
John R. Myers	41,093,512	294,170
John B. Nathman	38,113,259	3,274,424
William W. Sihler	40,969,438	418,244
Albert E. Smith	41,097,289	290,394

There were no broker non-votes or votes against any director.

The stockholders approved the appointment of Deloitte & Touche LLP, independent accountants for the Corporation. The holders of 41,241,978 shares of Common Stock voted in favor; 84,878 voted against and 60,827 abstained. There were no broker non-votes.

Item 5. OTHER INFORMATION

There have been no material changes in our procedures by which our security holders may recommend nominees to our board of directors during the three and six months ended June 30, 2008. Information regarding security holder recommendations and nominations for directors is more fully described in the section entitled “Stockholder Recommendations and Nominations for Director” of the Corporation’s 2008 Proxy Statement on Schedule 14A, which is incorporated by reference to the Corporation’s 2007 Annual Report on Form 10-K.

Item 6. EXHIBITS

Exhibit 3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to the Registrant’s Registration Statement on Form 8-A/A filed May 24, 2005)
Exhibit 3.2	Amended and Restated Bylaws of the Registrant (incorporated by reference to the Registrant’s Registration Statement on Form 8-A/A filed May 24, 2005)
Exhibit 31.1	Certification of Martin R. Benante, Chairman and CEO, Pursuant to Rules 13a – 14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended (filed herewith)
Exhibit 31.2	Certification of Glenn E. Tynan, Chief Financial Officer, Pursuant to Rules 13a – 14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended (filed herewith)
Exhibit 32	Certification of Martin R. Benante, Chairman and CEO, and Glenn E. Tynan, Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350 (filed herewith)

SIGNATURE

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

CURTISS-WRIGHT CORPORATION
(Registrant)

By : /s/ Glenn E. Tynan
Glenn E. Tynan
Vice President Finance / C.F.O.
Dated: August 8, 2008

CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

Exhibit 31.1

CERTIFICATIONS

I, Martin R. Benante, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Curtiss-Wright Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) 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 quarterly report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) 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

    d) 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.

Date: August 8, 2008
/s/ Martin R. Benante

Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Glenn E. Tynan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Curtiss-Wright Corporation;

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) 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 quarterly report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) 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

    d) 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.

Date: August 8, 2008
/s/ Glenn E. Tynan

Chief Financial Officer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Curtiss-Wright Corporation (the "Company") on Form 10-Q for the period ended June 30, 2008 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, 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
August 8, 2008

/s/ Glenn E. Tynan

Glenn E. Tynan
Chief Financial Officer
August 8, 2008