PARTICIPANTS

Corporate Participants

Martin R. Benante – Chairman & Chief Executive Officer
Glenn E. Tynan – Chief Financial Officer & Vice President

Other Participants

Kenneth Herbert – Analyst, Wedbush Securities, Inc.
Eric Hugel – Analyst, Stephens, Inc.
Myles Alexander Walton – Analyst, Deutsche Bank Securities, Inc.
Michael F. Ciarmoli – Analyst, KeyBanc Capital Markets
Tyler Hojo – Analyst, Sidoti & Co. LLC
Stephen E. Levenson – Analyst, Stifel, Nicolaus & Co., Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to the Curtiss-Wright 2011 financial results conference call. [Operator Instructions] As a reminder, today's conference call is being recorded.

I'd now like to turn the conference over to your host, Mr. Martin Benante, Chairman and CEO. Please go ahead.

Martin R. Benante, Chairman & Chief Executive Officer

Well, thank you, Allison, and good morning, everyone. Welcome to our fourth quarter and full-year 2001 [sic] (2011) earnings conference call. Joining me on the call today is our CFO, Mr. Glenn E. Tynan, who will begin our forum.

As you will see this morning, Curtiss-Wright delivered another solid performance in 2011 as, once again, our profits grew faster than our sales. Organically, operating income increased 17% on a 3% increase in sales, driven by gains in both our commercial and defense market, despite a challenging operating environment in certain areas of our gas and oil business. Furthermore, the successful execution of our strategy enables us to generate double-digit overall gains in operating income and earnings per share, driven by a solid organic growth, as well as an addition of seven new businesses to our technological portfolio.

In 2012, we are looking at organic operating income growth rates of between 14% and 16% on our operating income and a 6% to 8% increase in organic sales. Our recent performance, along with our outlook for our end markets, provide us with a lot of optimism going into 2012.

I'll now turn the conference over to Glenn.

Glenn E. Tynan, Chief Financial Officer & Vice President

Thank you, Marty, and good morning, everyone. Our call today is being webcast, and the press release, as well as a copy of today's financial presentation, are available for download through the

Investor Relations section of our company website at www.curtisswright.com. And a replay of this call can also be found on the website.

Please note today's discussion will include certain projections and statements that are forward looking, as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are not guarantees of future performance. Forward-looking statements always involve risks and uncertainties, and we detail those risks and uncertainties in our public filings with the SEC.

In addition, certain non-GAAP financial measures will be discussed on the call today. A reconciliation is available in the earnings release and at the end of this presentation and will be available on the company's website.

For our agenda today, I will provide you with an overview of Curtiss-Wright's 2011 performance along with our 2012 guidance, followed by Marty, who will discuss our strategic markets and outlook, and then to open the call for questions.

As Marty noted, we are pleased with our 2011 performance, as our sales were driven by increases in all three of our segments, while operating income was primarily led by strong performance in our Metal Treatment segment. Our results reflect solid performance in most of our commercial markets, most notably in commercial aerospace, based on our position as a key supplier to both Boeing and Airbus. We also experienced solid improvement in our general industrial market based on the turnaround in the more economically sensitive markets in which we participate as the global economy continues to improve. Our performance was also driven by the diversification of our business model and our ability to overcome several challenges, including the residual impact of several large program terminations, such as the F-22 and Future Combat Systems.

However, we offset these challenges with strength in our aerospace/defense market, primarily due to increased demand for our defense electronics technologies. And despite these headwinds, we produced a solid 4% overall growth in defense in 2011. We also had a significantly lower-than-expected performance in our oil and gas market, primarily due to the continued delays in capital spending on large international projects, which resulted in significantly lower sales and profitability. And despite that performance, our overall commercial markets grew 12% in 2011.

For our full-year 2011 results, segment organic operating income rose 11%, while segment organic operating margin increased 80 basis points to 12%, as the strong performance in our Metal Treatment segment and growth in our Motion Control segment offset the reduced profitability in the Flow Control segment. We also produced solid double-digit growth in net earnings, up 22%, and diluted earnings per share, up 21% to $2.77 per share.

New orders exceeded $2 billion in 2011, growing 8% year over year based on strong demand in the commercial aerospace and power generation markets, as well as increased demand for our MRO products in our oil and gas market. This resulted in a strong backlog of approximately $1.7 billion at December 31, 2011, split approximately 70% in Flow Control and 30% in Motion Control. Our strength in new orders, along with our solid backlog at year-end, gives us confidence across all three segments heading into 2012. And meanwhile, our overall book-to-bill was 1.01 for 2011, led by a 1.08 ratio in our commercial markets.

Moving on to our segments. We'll begin with Flow Control, where oil and gas played a major role in the segment's performance in 2011. The driving force continues to be the delays in capital spending on large international projects, which negatively impacted our sales and profitability in 2011. In addition, we experienced lower margins during the startup phase in our new super vessels business. However, we expect these margins to improve as the sales volume continues to increase.

We also experienced higher costs of approximately $10 million on the AP1000 China contract in our power generation market due to the modification and successful correction of our previously disclosed localized temperature issue discovered during final testing of our reactor coolant pumps. This issue alone negatively impacted our 2011 earnings per share by approximately $0.14 per share. It's interesting to note that, excluding oil and gas, the remainder of our Flow Control business performed well in 2011, with operating income up 20% on a 6% increase in sales.

Next we'll turn to Motion Control, where our operating income rose 1% in 2011 on a 10% increase in sales. As expected and consistent with the trends experienced throughout most of the year, our full-year profitability was impacted by unfavorable foreign currency translations, which amounted to nearly $4 million. In addition, operating income was negatively impacted by acquisitions, most notably related to the first-year dilution from our acquisition of ACRA, offset somewhat by a small gain related to the third quarter divestiture of a non-core product line, which also amounted to $4 million net. The net effect of these two items negatively impacted operating margins in the Motion Control segment by 180 basis points. Excluding the effects of these items, organic operating income increased 11% on a 4% increase in sales, while organic operating margin was 13.2%, an 80 basis point increase from the prior-year period due to higher sales of our sensor and control product and the benefits of our business restructuring and cost-reduction efforts.

Moving on to Metal Treatment, which concluded the strong 2011 with a solid fourth quarter performance, benefiting from notably higher sales to the commercial aerospace and general industrial markets. Overall, this segment experienced higher sales volumes across all major product lines, service lines, and markets due to the improving global economy. Operating income increased 70% for the full year, 57% of which was organic, due to the increased operating leverage on the higher sales volume. Meanwhile, organic operating margin was 16.2%, an increase of 450 basis points from the prior year, as a result of the strong sales performance in 2011.

Next I'll discuss our overall end markets. Please note that the percentages that you see in the pie chart on this slide relate to the full-year 2011 sales for each of our end markets. Defense markets represented approximately 40% of our 2011 sales, while commercial markets represented 60%. Our strong sales growth in the commercial markets was achieved despite the weaker-than-expected performance in our oil and gas market. Meanwhile, sales growth in our expense markets reflect higher sales of embedded computing and sensor products to the aerospace defense market, partially offset by lower sales in ground defense and a decline in naval defense, primarily due to timing on certain long-term contracts, as some funding has shifted into 2012.

We will begin with a look at our defense market, which had a solid sales growth in 2011, led by embedded computing and sensor products supporting numerous domestic and international aerospace defense programs, as well as solid growth in Virginia-class submarines revenues. However, these gains were partially offset by the winding down of the CVN-78 aircraft carrier along with the continued impact of several large program cancellations.

In 2012, we expect to see a ramp-up in sales on the F-35 Joint Strike Fighter, as well as continued strong demand for our embedded computing and sensor products, supporting C4ISR applications. We also remain optimistic about our naval defense market, as we expect a ramp-up on the CVN-79 aircraft carrier, increased retrofit activity on the DDG-51 destroyer, and solid demand for our aircraft and cable handing systems for international programs.

Meanwhile, within our ground defense market, we continue to experience a somewhat uncertain funding environment as it pertains to the timing of future ground vehicle upgrades and modernization programs for the U.S. Army. Overall, we are projecting sales to be up 3% to 5% in our defense markets in 2012.

In commercial aerospace, we continue to benefit from the ramp-up in the commercial aerospace market, where the performance led all of our end markets in 2011 due to solid organic growth of

12%, supplemented by our acquisitions of Douglas, ACRA, and BASF. As a result, we experienced increased sales across all major Boeing and Airbus platforms. In addition, we experienced healthy demand for sensor and control products on various commercial aircraft. We expect this momentum to continue into 2012.

Curtiss-Wright is well-positioned for increased sales, supported by the multiyear production up-cycle anticipated in the commercial aerospace market, as we are a key provider of critical structural and electronic components and various metal treatment services to both Boeing and Airbus. Therefore, we are projecting sales in our commercial aerospace market to grow 18% to 20% in 2012.

In our oil and gas market, despite sales growth in both the U.S. refinery-related MRO products and large super vessels in 2011, our business supporting large capital projects continued to be particularly soft, primarily for international customers. As we had previously noted, none of these projects slated for 2011 have been canceled. And in fact we have increased content on several of them. However, they continue to move to the right into 2012 and beyond in some cases. As a result, we are cautiously optimistic that some of these projects will come to fruition in 2012. Additionally, we expect to see continued modest but steady growth in demand for our U.S. refinery-related MRO products and our large super vessels. And overall, we are projecting sales in our oil and gas market to grow 7% to 9% in 2012.

Next we will discuss the power generation market, which benefited from higher revenues on both U.S. and China AP1000 projects in 2011, as well as increased aftermarket sales supporting existing operating reactors. We also experienced solid sales from the BASF business acquired, early of the year, which had solid demand for its thermal spray coatings capabilities, primarily on turbines for non-nuclear electric power generation. Our strong outlook for 2012 is based on the ramp up in sales for the U.S. AP1000 projects in Georgia and South Carolina, as well as continued solid organic growth for our aftermarket business supporting operating nuclear reactors worldwide. As a result, we are projecting sales in our power generation market to grow 18% to 20% in 2012.

And lastly we'll turn to our general industrial market, which produced a solid 2011 based on the continued improvements in worldwide economic conditions, leading to higher volumes and overall stronger demand for metal treatment services. Sales to the automotive and transportation industries were particularly strong globally, as were sales to the commercial HVAC market. While we expect some of this demand to continue into 2012, particularly for our HVAC business, pockets of economic uncertainty remain in some of the regions which we serve. As a result, we are projecting sales in our general industrial markets to grow 6% to 8% in 2012.

Summing up, based on our rationale and expectations across all of our end markets, we are projecting overall growth of 3% to 5% in defense and 13% to 15% in commercial, exceeding the relative comparisons for the nominal 2012 defense budget and annual GDP, which are expected to grow approximately 1% to 2%, respectively. These market expectations support our outlook for total Curtiss-Wright sales growth of 9% to 11% in 2012.

Let me now cover our guidance for our segments, which reflects a solid operating performance and margin expansion across all three segments for 2012.

Starting with Flow Control, our overall sales guidance is based on strong new orders and increased demand, primarily in our power generation and oil and gas markets. We're also expecting to see solid improvements in Flow Control's overall profitability, as we expect that the learning curve costs associated with the initial AP1000 pumps for China are behind us and that there will be significant improvements in their oil and gas business due to improved absorption from higher sales on large projects and vessels. This will result in higher operating income and an approximately 50 to 60 basis point improvement in operating margin to a range of 10.2% to 10.3% in 2012.

Our sales guidance in Motion Control primarily reflects the strong demand expected in our commercial aerospace market in 2012. In addition, we anticipate improvements in operating income as we move beyond the initial dilution caused by our mid-2011 acquisition of ACRA, which should provide solid year-over-year margin improvement. We also expect the strong operational improvements and benefits from our cost reduction and restructuring programs to continue into 2012. As a result, we expect Motion Control's operating margins to improve nearly 200 basis points to a range of 13.3% to 13.4% in 2012.

And finally, the sales guidance for our Metal Treatment segment reflects the improved outlook in all of their markets, which as a result will lead to higher operating income and operating margin in 2012. Therefore, we expect their operating margin to increase 100 to 110 basis points to a range of 16.5% to 16.6% in 2012. And finally, our forecast for corporate and other expenses is approximately $31 million, primarily due to high pension expense as compared to 2011.

In addition to our solid sales growth, we expect overall operating income to grow 17% to 21% in 2012 and consolidated operating margin to increase 70 to 90 basis points to a range of 10.7% to 10.9%. We expect these gains as a result of our continued focus on business restructuring, cost reduction, and margin improvement. Meanwhile, we expect diluted EPS to grow 6% to 10% over 2011 on a reported basis. However, if you exclude the nonrecurring R&D tax credit of $4 million or $0.09 per share from our 2011 results, our operational diluted earnings per share for 2011 was $2.68 per share. Our EPS guidance range for 2012 of $2.95 to $3.05 reflects another double-digit increase of 10% to 14% over 2011.

In 2012, higher sales and operating margin improvements resulting from our continued business restructuring cost reduction programs are expected to contribute $0.57 to $0.67 per share to our diluted earnings per share, resulting in a 21% to 25% increase from 2011 pro forma EPS. However, these improvements will be partially offset by significantly higher interest and pension costs in 2012. The interest increase is due to our $300 million private placement debt offering from the fourth quarter 2011. We issued this new long-term debt to strategically align our capital structure with our strategic plans to continue to grow through acquisitions, geographic expansion, and organic growth and also to take advantage of historically low long-term interest rates.

In addition, we will be negotiating a new revolving credit agreement in the third quarter of 2012, which will most likely result in higher interest rates than we currently have. However, overall we maintain one of the lowest costs of debt in our industry. And lastly, pension costs have increased as a result of the decrease in the discount rate.

Looking ahead to the first quarter of 2012, we expect our year-over-year EPS to be lower than 2011 ranging from $0.40 to $0.44, primarily due to the impact of the higher interest, which amounts to $0.05 per diluted share; higher pension, which amounts to $0.03 per diluted share; and restructuring cost within our Motion Control segment, which amounts to $0.05 per diluted share, which will benefit profits in the latter half of the year; and also from timing of large capital projects from Flow Control's oil and gas business, which are skewed to the second half of the year. As a result, we expect to generate approximately 62% of our full-year EPS in the second half of the year, with the fourth quarter being the largest, as we have done historically.

Here are some additional financial guidance metrics for 2012: We expect our free cash flow to range from $90 million to $100 million, which puts us at a free cash flow conversion rate of nearly 70%. This includes approximately $11 million in additional pension contributions and $12 million in higher interest payments in 2012. We expect that our D&A will be slightly higher than 2011, while our capital expenditures are expected to increase to approximately $90 million to $95 million. 2012 pension expense for the Curtiss-Wright corporate plan is expected to be roughly $27 million, an increase of approximately $5 million from 2011, driven primarily by the lower discount rate.

Now I'd like to turn the call back over to Marty for his final comments before we wrap up the call. Marty?

Martin R. Benante, Chairman & Chief Executive Officer

Well, thank you, Glenn.

As we have discussed thus far today, we concluded 2011 with solid sales and stronger profitability. Based on the continuing strong showing in most of our commercial and end markets and our ability to overcome several headwinds in defense, we are well positioned heading into 2012, with growth forecasted across our defense and commercial markets. Given that outlook, I'm pleased to say that we're projecting a triple-double for 2012, with double-digit growth in sales, operating income, and adjusted earnings per share, which should provide our investors with further confidence in our future outlook.

As we've continually noted, we expect to benefit from improved market conditions across most of our end markets, as demand for Curtiss-Wright products and services will result in sales growth rates over and above the anticipated growth rates in most of the markets in which we participate. This includes a solid performance in commercial aerospace, nuclear power generation, and in overall defense, among with it, a modest rebound expected in our oil and gas business in 2012. Note that we are remaining somewhat cautious in our guidance in the general industrial market, which reflects our sensitivity to the ongoing global macroeconomic risks, particularly in Europe.

In addition, we will continue to build our company through acquisition and organic investments and also expand our unique portfolio of highly engineered advanced technologies. We added seven additional companies in 2011, which contributed approximately $74 million in sales, and we will continue to actively pursue acquisition candidates that both fit our technological requirements and provide a distinct competitive advantage. We also continue to expand our global footprint, with international sales now representing 30% of our total business.

Looking at our markets, I'll begin in power generation and update on recent events influencing our business and the industry. Over the course of the past few months, Curtiss-Wright and the industry as a whole have experienced a number of positives. Most notably, the NRC has granted full regulatory approval for the AP1000 reactor design in the United States, paving the way for future construction of the leading Gen III+ design. This led to NRC approval just last Thursday for Georgia's local AP1000 nuclear power plant, the first nuclear power plant approved in 34 years. Construction of the two U.S. AP1000 nuclear plants in South Carolina and Georgia remain on schedule.

The Department of Energy announced their support for the development of small module reactors in the U.S. through the establishment of cost-sharing agreements with private industry to support the design and licensing of these reactors. Though not a tremendous percentage of our future expected outlook and future revenue – expect – this decade, we intend to have a presence, however, in their development. In China, construction essentially remains on schedule for the plants currently under development, particularly the world's first Westinghouse AP1000 reactor at Sanmen, which is expected to be operational in 2013. In addition, China has announced it expects to restart reactor construction approvals later this year.

Next, an update on the AP1000 program. The first production pumps were modified to correct the localized high-temperature issue that is currently undergoing endurance testing. So far, the test results have shown that the stator winding temperature is well within acceptable tolerances for both China and domestic projects, and no further design changes are expected at this time. Endurance testing will continue throughout the first quarter of 2012 and remain on schedule for delivery of the first four pumps in the second quarter. Thus far we have completed 34 out of the 50 service cycles and 340 operating hours out of 500 total hours required. Furthermore, I'd like to remind everyone that this delivery date meets our customer's requirements, and we expect it not to impact the overall plant construction schedule.

Finally, we expect our next major AP1000 order to come from China this year. Although 2011 negotiations were delayed, we anticipate that the contract-negotiated award should take place later this year following the successful completion of the endurance testing and the initial delivery of our reactor coolant pumps. Please note that the potential impact of this order is not included in our current guidance. Overall, long-term view on our new-build nuclear reactor generation business, both in the United States and across the globe, are being favorable.

Meanwhile, our content on existing operating reactors worldwide remains strong and will continue to expand over the long run as further assessment and analysis from Fukushima, as well as future regulations from the NRC drive safety and reliability improvements, which as we noted is the sweet spot for Curtiss-Wright. Our long history and expertise in power generation industry will lead to increased opportunities worldwide for our vast portfolio in advanced nuclear technologies.

Also, as a reminder, based on the lessons learned from Fukushima and the required engineering and regulatory framework designated by the NRC, we expect to see a shift from our typical MRO projects and upgrade sales to orders that will meet the new requirements. Therefore, due to the timing of the releases of these regulations, it will result in shifts of some orders from our first quarter to later in the year.

In addition, the NRC task force prioritized their actions into three tiers, with the earliest tier of Tier 1 actions expected to begin this year, followed by additional requirements expected to take place over the next four to five years. As a result, this could result in significant hardware upgrades – orders for Curtiss-Wright beginning in 2013 through 2015.

Based on all the aforementioned positives driving our power generation business, it's interesting to note that it's projected to represent Curtiss-Wright's largest single end market by the end of 2012, with 20% of our total sales.

Within our oil and gas markets, stronger domestic MRO sales and new order growth in 2011 are expected to be key drivers in 2012, which is a positive sign that typically precedes increased spending by refineries on major capital projects. We remain cautiously optimistic that these project-related sales will rebound in both our domestic and international markets this year. Although we have made considerable consolidation and restructuring within this business, the volume of large capital projects have been about two-thirds of what was expected, resulting in reduced sales and significantly lower profitabilities that have exceeded the savings that we generated. As a result, we will continue to improve the profitability in this business with further consolidation and restructuring in order to size our oil and gas business accordingly as we progress through 2012.

Furthermore, our new super vessel business continues to ramp up to meet increased new orders. While we are certainly pleased with the higher sales as a result, we have experienced lower margin associated with learning curves the first year of operation. However, we do expect to see improved absorption and higher operating leverage moving forward. Long term, we remain confident in our overall gas and oil business, based on the projected increase of overall energy demand and expectation that capital spending levels on global projects will be down in the future.

Turning to defense, similar to our peers, we are certainly mindful of the potential changes affecting the defense industry as a whole and the role that Curtiss-Wright plays. And we realize that our sales are not bulletproof from the DoD spending constraints expected in the short and long term. However, our overall optimism in our defense business stems from our view provided at our May 2011 Investor Day, where we expressed our confidence in our current and future outlook, even during years of flat DoD or declining budgets.

This includes the following points: We remain very well positioned on key current and future defense platforms, both domestically and abroad, that will continue to support our growth well into the future. Our largest defense programs, aircraft carriers and submarines, continue to be supported in defense budget projections over the long term, as well as newer incremental programs such as the Refueling and Complex Overhaul or RCOH for the Navy. Based on the intended diversification of our business model, no other single defense program by itself is material to Curtiss-Wright's financial results. We expect to benefit from increased demand for ISR and electronic warfare capabilities in the battlefield, both of which are expected to be strong contributors to our future growth. We expect to overcome several defense headwinds that weighed down our sales and profitability for the past few years, including the large program cancellations, as well as other programs nearing the end of their production lives.

Let me expand on the last point for a moment. As Glenn mentioned earlier, we produced 4% overall growth in defense in 2011. However, we accomplished this by overcoming more than 4% loss of sales due to significant program cancellations, including the F-22, FCS, and DDG-1000. Excluding the impact of these programs, our 2011 defense sales would have grown a solid growth of 8% overall.

Meanwhile, the recent release of the initial fiscal year 2013 DoD budget request is expected to play a key role in shaping future military budgets. As an indicator, the smaller and leaner force structure moving forward was consistent with the strategy laid out by the president in early January. Overall, the Pentagon requested a slight decline to $525 billion for its base budget in 2013, along with a lower-than-expected $88 billion in wartime funding. The budget release focused heavily on cost reduction initiatives, including a reduction in certain un-performing military programs, slowdown of production in others, and as well as substantial force size reductions over the next five years.

Giving our diversification, I wanted to briefly discuss the impacts of the fiscal year 2013 request on our defense market. In the naval defense, we expect to benefit from the continued strong support for the expansions of the Navy shipbuilding program. As you know, we maintain key positions on the Ford-class aircraft carrier and Virginia-class submarine programs. The recent budget release also highlighted significant increases in funding for the Carrier Repair and Complex Overhaul, where our content is expected to be between $33 million to $57 million per ship set depending on the amount of AAG work involved, as well as the DDG-51 destroyer program, where we have up to $10 million in content.

We are particularly pleased with the administration's position to maintain a fleet of 11 aircraft carriers, as it represents our largest single defense program at $250 million per carrier, and it's a significant contributor to our total sales. The move of one Virginia-class submarine from 2014 to 2018 will have an impact by moving sales associated with that hull three to four years later, but it remains in the plan in Block IV. Long term, it appears that the Ohio-class submarine replacement program shifted out by two years, from 2019 to 2021. The overall impact to our naval defense market appears to be positive.

In aerospace defense, the impact of Curtiss-Wright appears to be somewhat mixed. With the decision made to cut the Global Hawk Block 30, the Block 40 and BAMS Navy variant continues to be supported, in addition to three new NATO orders in the 2013 budget request. Additionally, F-35 production levels were held steady, while procurement for nearly 180 aircraft will push out beyond 2017. However, there will be additional foreign military sales in this program starting in 2013.

Elsewhere, funding for the P-8 Poseidon increased in the 2013 request, offset by a decline in V-22 Osprey funding. For helicopters, decreased funding for the Black Hawk helicopter is expected to be offset by the increase in the Apache funding. At this point, we expect the results of these program changes to be somewhat positive, but could be positive if you could include the foreign military sales. In addition to the major programs I've highlighted, we expect to benefit from the increased focus on new ISR, electronic warfare, and communication capabilities. They remain key areas of increased investment dollars in current and future-year defense spending plans and will continue to support our sales growth in defense.

In ground defense, continued production cuts for programs such as the Bradley, Abrams, and Stryker programs are likely to impact the results in 2013 and future years, as these programs await future modernization funding. However, it appears that the Ground Combat Vehicle program, although delayed, is now active, and funding in future years does not appear to be at risk. Additionally, the Joint Lightweight Tactical Vehicle program is about to enter the next phase with strong Army commitment. We expect to benefit from this program going forward. We also expect to benefit from the increased support for newer intelligence programs, such as the WIN-T network battlefield program for the Army. Overall, we remain cautiously optimistic about the overall opportunities that a diverse portfolio of defense products provides Curtiss-Wright.

Turning to other matters, we were active in the marketplace during the fourth quarter of 2011, actively repurchasing about 261,000 shares of Curtiss-Wright stock at an average stock price of $31.30. While we have not repurchased any additional stock since that time, we continually monitor the level of our stock price and also evaluate the best use of our free cash. Looking ahead, future stock repurchases will depend upon changing market conditions, and we'll be active if and when appropriate.

Finally, our constant focus on strategic investments, diversification, and improved operating efficiency has positioned us to continue to grow our profits faster than sales and increase the long-term competitiveness of our businesses. We have succeeded in producing solid operating income growth during the past two years, rebounding from the difficult operating environment that impacted our results in 2009, and this pattern is expected to continue in 2012.

Overall, our 2011 results and future outlook also reflect our disciplined capital deployment strategy, consisting of continued investment in new product development, facility expansions, reinvestment in our business, and growth through acquisitions, combined with our commitment to return cash to shareholders through solid earnings per share growth, dividends, and share repurchases. We believe that the future is very bright for Curtiss-Wright.

And at this time, I'd like to open the conference for questions.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from Ken Herbert of Wedbush. Please go ahead.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Hi, good morning.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hi, Ken.

<A – Martin Benante – Curtiss-Wright Corp.>: Hi, Ken, how you doing?

<Q – Ken Herbert – Wedbush Securities, Inc.>: Pretty good. The first question, if I could, on the power generation guidance, you indicated that the potential second order out of China is not in the guidance. Can you break down the guidance by new reactor versus – new original equipment versus operating reactor versus what sounds like a piece of business from the BASF deal is in that segment as well?

<A – Martin Benante – Curtiss-Wright Corp.>: Yes. For new construction for both the United States and China, we have about $120 million, and we have about – a little over $260 million in other retrofits for existing reactors.

<Q – Ken Herbert – Wedbush Securities, Inc.>: That's the implied guidance for 2012?

<A – Martin Benante – Curtiss-Wright Corp.>: We also have other businesses. And I was just talking about the major, our major contracts.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. So it sounds like a lot of the growth is still coming from the existing reactor, operating reactor sales?

<A – Martin Benante – Curtiss-Wright Corp.>: That's correct.

<A – Glenn Tynan – Curtiss-Wright Corp.>: And an acquisition. With – the Anatec acquisition was also in that category. That's about $30 million of incremental sales in 2012, Ken.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay.

<A – Martin Benante – Curtiss-Wright Corp.>: Right. Within our guidance is about $120 million for new reactors and about $330 million for their existing plants.

<Q – Ken Herbert – Wedbush Securities, Inc.>: When do you need to see the order from China for it to have any sort of incremental revenue impact in 2012?

<A – Martin Benante – Curtiss-Wright Corp.>: We would have to get it by the second – a little after the second quarter. I don't think that's going to take place. If anything, it'll have some improvement in cash flow, but I don't think that we'll get much sales profit out of it.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. Great. That's helpful. And if I could, related, on the Motion Control segment, you're obviously looking for really nice incremental margins and step up in 2012 over 2011.

<A – Martin Benante – Curtiss-Wright Corp.>: Right.

<Q – Ken Herbert – Wedbush Securities, Inc.>: – in this segment. And I know you went through some of the moving pieces. But is that – how much of that is the cost reductions versus finally

ACRA now becoming accretive versus some of the other moving parts? Can you just give a little more granularity on that? It looks like you had a really nice -

<A – Martin Benante – Curtiss-Wright Corp.>: Well, you have $10 million between FX and ACRA. So that's – going from the $80 million to $100 million, that's $10 million of it. And then $10 million of it is from increased volume and also cost reductions.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. And similarly, for – just one final question on Metal Treatment. The incrementals in the guidance look good at about 25%, is a little lower than what we'd seen in prior cycles in the pickup. Is BASF still going to be a headwind in terms of the margins in this segment in 2012? And how should I think about potential upside to Metal Treatment in the margins relative to the guidance?

<A – Martin Benante – Curtiss-Wright Corp.>: Ken, if you look at our two acquisitions, both BASF and IMR, it'll be a drag on the operating earnings by about 1.5 percentage points, or 150 basis points. The other thing is we also have several new plants going in, which is about 60 basis points. So the real – if you were to exclude acquisitions and if you were to exclude startups, MIC would be somewhere around 18%.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Yeah. So that's – it's getting closer to historically where the business has been able to perform.

<A – Martin Benante – Curtiss-Wright Corp.>: That's right. And I think that what you're going to see a little bit different in this cycle is that we'll continue to open plants in India and China, as we are going to do this year, because that's obviously where a lot of manufacturing is. And that'll be a drag for a little while. And then as time goes on, we'll have marked improvements there.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hey, Ken, if you adjust the last three years for acquisition and greenfield, we average about 40% incremental margin on the sales.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Right.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Once you normalize that out.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Yeah. I know. That's what I think. I mean, this business clearly has phenomenal leverage.

<A – Martin Benante – Curtiss-Wright Corp.>: Definitely.

<Q – Ken Herbert – Wedbush Securities, Inc.>: And so just curious, anxious to see – I'm assuming there'll be additional acquisitions potentially, but it's good to see BASF and the other deals turning a corner. And the continued growth here because it should be a solid business.

<A – Martin Benante – Curtiss-Wright Corp.>: Yep, without a doubt.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Great. Thank you very much.

<A – Martin Benante – Curtiss-Wright Corp.>: Thank you.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thank you.

Operator: Our next question comes from Eric Hugel of Stephens, Inc. Please go ahead.

<Q – Eric Hugel – Stephens, Inc.>: Hey. Good morning, guys.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Good morning, Eric.

<A – Martin Benante – Curtiss-Wright Corp.>: Hey, Eric. How are you doing?

<Q – Eric Hugel – Stephens, Inc.>: Hey. In terms of the subs and the carriers, are the $250 million and the $60 million content values still sort of good numbers to think about? Or have those changed?

<A – Martin Benante – Curtiss-Wright Corp.>: No, that's still good. When we – the submarine would be more – when we have two – more – closer to $50 million.

<Q – Eric Hugel – Stephens, Inc.>: Okay.

<A – Martin Benante – Curtiss-Wright Corp.>: There were some cost reductions given to the Navy when we went to two boats.

<Q – Eric Hugel – Stephens, Inc.>: Okay. And given your lead times on that sort of cut, if the budget goes forward and that 2014 drop-down to one boat from two, given your sort of longer lead times, when would you start to feel that?

<A – Martin Benante – Curtiss-Wright Corp.>: 2015. But at the same time, one of the things that was put in was the overhaul. And the overhaul at a minimum is $33 million. Now if they do – if they overhaul the boat and put on the new advanced arresting gear, that would be an additional $24 million, so that would be $57 million right there.

<Q – Eric Hugel – Stephens, Inc.>: No. I'm talking about the Virginia submarine. When does – are you two years ahead in terms of the reactor stuff on the subs? Is that the way to think about it?

<A – Martin Benante – Curtiss-Wright Corp.>: Yeah, and I'm saying that won't take -

<Q – Eric Hugel – Stephens, Inc.>: That that would be offset?

<A – Martin Benante – Curtiss-Wright Corp.>: 2015, which will be offset by the overhaul.

<Q – Eric Hugel – Stephens, Inc.>: So I don't understand that. If they're cutting a sub out of 2014, that should affect you before 2014, right?

<A – Martin Benante – Curtiss-Wright Corp.>: Right. But you would see, based on other programs and how they're moving, you're going to see more of a shift in 2015. And I'm saying that the overhaul will probably take its place.

<Q – Eric Hugel – Stephens, Inc.>: Okay. Fair enough. Can you update us – in the operating margin section of Flow Control, it talked about you guys experiencing some more cost growth in the quarter on the AP1000 program -

<A – Martin Benante – Curtiss-Wright Corp.>: Right.

<Q – Eric Hugel – Stephens, Inc.>: – on the China stuff. Can you talk about – I mean, it sounds like right now where things stand you're pretty good. But can you sort of talk to us about sort of what that additional cost growth was and sort of what happened there?

<A – Martin Benante – Curtiss-Wright Corp.>: Well, we said it was $10 million for the year. We didn't really break it down by the last quarter, but -

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah. It wasn't a material amount in the last quarter. But there was some lingering cost to fix the temperature issue in the fourth quarter, but it wasn't material.

<Q – Eric Hugel – Stephens, Inc.>: Okay.

<A – Martin Benante – Curtiss-Wright Corp.>: Right. But the cost per pump has gone up because of those changes.

<Q – Eric Hugel – Stephens, Inc.>: Right. Okay. And, Marty, lastly, maybe from a more strategic standpoint, sort of M&A standpoint. Right now you're at about 15% commercial aerospace. But when you look at the portfolio of the business and you look at sort of the outlook for commercial aerospace, the backlogs at Boeing and Airbus and everybody else, is that sort of a good percentage that you want to stay at? Or would you entertain – are you actively looking at increasing that percentage of the business given the underlying health of the business – of the market?

<A – Martin Benante – Curtiss-Wright Corp.>: You know, Eric, we always look for outstanding technology. So – and normally, whatever we acquire does have some percentage in the aerospace area, but the answer to your question is yes. We are looking for additional technologies that would help. I think our commercial aerospace sales is lagging a little bit compared to where our other markets are going. And to keep ourselves as diversified as I'd like to have it, I think we would like to increase our commercial aerospace percentage.

<Q – Eric Hugel – Stephens, Inc.>: Great. Thanks a lot, guys.

<A – Martin Benante – Curtiss-Wright Corp.>: Thank you.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thank you, Eric.

Operator: Our next question comes from Myles Walton of Deutsche Bank. Please go ahead.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Thanks. Good morning, guys.

<A – Martin Benante – Curtiss-Wright Corp.>: Hey, Myles.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hey, Myles.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Could you, maybe Marty first – the $200 million on the balance sheet, that's among the highest I think you've had kind of sitting there in a while, and obviously you had the debt drawdown in the fourth quarter, some use for the acquisition in the fourth quarter, if you could tell us that. But also it seems like that's a lot of cash to have on hand, and curious, do you have M&A teed up and ready to go? Or what was the strategy there?

<A – Martin Benante – Curtiss-Wright Corp.>: Well, the strategy is we always look toward the long term, I think at the rates that we got for the $300 million, it's well worth having that kind of firepower, which will probably last us quite a few years. Obviously, we're always looking to make acquisitions if the right company comes along.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: So the actual level, though, isn't necessarily indicative that the pipeline's full and about to be – that cash is about to be utilized?

<A – Martin Benante – Curtiss-Wright Corp.>: We'd love to use that cash. It's about the only comment I'm going to make. No, we have our – we always are looking at quite a few companies, which ones and how they end up, if they get acquired, is somewhat variable. I just start from a long-term look at what our future cash needs will be. We went that aggressive with the amount of money we borrowed.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. What was the size of the acquisitions in the fourth quarter?

<A – Glenn Tynan – Curtiss-Wright Corp.>: It was ACRA, it's a $30 million company; paid $40 million. I think, just roughly. I don't have the exact figures.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay.

<A – Martin Benante – Curtiss-Wright Corp.>: We paid $61 million.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Anatec, I meant, not ACRA. Wrong one. Anatec was a fourth quarter acquisition.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. So, Anatec plus LMT was about $60 million?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, combined, yep.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And then on the backlog, I know you're at $1.7 million versus $1.67 million last year. But you had bought some businesses through the course of the year. If you compared organic backlog year on year, how much was it down? And was it – was that only because of the burn-off of AP1000?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Well, our backlog is up 2% organically.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Organically. So, did acquisitions bring any backlog?

<A – Glenn Tynan – Curtiss-Wright Corp.>: They did bring some. I'm just trying to see here. Hold on a minute. At year-end – I actually think about $90 million of the backlog at December 31 was due to acquisitions, the 2011 acquisitions, approximately $90 million.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. So about flat year on year, maybe slightly...

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, it turned slightly up. I mean, two may have been even high, but just slightly up I think, Myles.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. So, how much – when you get an order from the AP1000 – two questions. One is, what do you think the size would be? And then secondly, what's the materiality to the cash flow and from an advance prospectus?

<A – Martin Benante – Curtiss-Wright Corp.>: I really don't want to comment on that. Not because – there have been a lot of different numbers that have been talked about between ourselves and China. So we'll have a little bit more information later on in the year.

<A – Glenn Tynan – Curtiss-Wright Corp.>: As we get through the negotiations.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And then the other question was on the HVAC growth that you alluded to in 2011, which I think the industry saw. But then you also talked about strong growth – or growth in 2012. Geographically, is that concentrated, or is it your business specifically? Because others are looking more at some tougher comps in certain areas, and just kind of curious what's driving your outlook for growth in HVAC in 2012?

<A – Martin Benante – Curtiss-Wright Corp.>: We have long-term contracts signed with customers, and normally, based on those long-term contracts, we can project pretty well where we're going, and we are increasing quite a bit.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Do you have a growth rate, by any chance, in that market?

<A – Glenn Tynan – Curtiss-Wright Corp.>: No. Not offhand.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: No?

<A – Martin Benante – Curtiss-Wright Corp.>: I think it's somewhere about 18%.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Inclusive of whatever acquisitions you've done?

<A – Martin Benante – Curtiss-Wright Corp.>: No, no. We're talking about just the HVAC, right?

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Yeah.

<A – Martin Benante – Curtiss-Wright Corp.>: Yeah. I think it's somewhere around 18%.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. And then last one. And this is, maybe – Slide 14, when you have the guidance by end market, do you happen to have the organic comparison as opposed to the total? And also, the total sale direct year on year, is there about, I don't know, 3 or 4 points in there of acquisitions? Is that about right?

<A – Glenn Tynan – Curtiss-Wright Corp.>: That sounds about right. We don't have the organic by market though.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. Maybe – what about defense and commercial as just the two big markets? Do you have that?

<A – Glenn Tynan – Curtiss-Wright Corp.>: No, we don't.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay. All right. Well, I'll ask it again next time.

<A – Glenn Tynan – Curtiss-Wright Corp.>: All right.

<A – Martin Benante – Curtiss-Wright Corp.>: Okay.

<Q – Myles Walton – Deutsche Bank Securities, Inc.>: Okay, thank you.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thanks, Myles. We'll be ready for that one next time.

<A – Martin Benante – Curtiss-Wright Corp.>: Thanks. We'll be ready for that one.

Operator: Our next question comes from Michael Ciarmoli of KeyBanc. Please go ahead.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Hey, good morning, guys. Thanks for taking the questions.

<A – Martin Benante – Curtiss-Wright Corp.>: Good morning.

<A – Glenn Tynan – Curtiss-Wright Corp.>: How you doing, Mike?

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Just to follow up or to just to probe a little deeper on defense. Given the release of the budget, what we've seen here with some of the cuts and the longer-term plan, has your outlook changed in your ability to grow those revenues? I think on the Analyst Day, you were talking about a 6% to 8% CAGR in defense. You're guiding below that right out of the gate here, kind of 3% to 5%.

<A – Martin Benante – Curtiss-Wright Corp.>: Right.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: I mean, is it reasonable to think you can growth 6% to 8%, especially as maybe some of the procurement dollars start to hit these budgets and contracts get renegotiated in the coming years?

<A – Martin Benante – Curtiss-Wright Corp.>: I don't think – we're going to be slightly below that. I think we have the ability to grow 4% to 5% a year. You really have to take a look at some of the timing. We actually, when you go to balance it out, DDG-51 got full support. It's going to go two destroyers. That's $20 million for us. The Apache helicopter, which was a surprise, offset the Black Hawk. We actually have more content on the Apache helicopter, by almost about $40,000 a ship set. BAMS we have – we're on the BAMS. We have the same amount of content, slightly more on BAMS than we did on Global Hawk. And the Global Hawk does have three NATO airplanes in it for next year.

We also – one of our larger programs now is the P-8 Poseidon, where we have over $800,000 an airplane, and that starts being – rolling out in 2013, and it starts accumulating. The carrier refueling, which was a nice surprise, adds to that growth scenario. Even though the F-35 is being somewhat level over the next couple years, it's still going to ramp up, and we still have a nice content on that. And again, when you look at the United States budget, that doesn't include foreign military sales, which – there's a lot of interest in the F-35, as well as there's a lot of interest in the BAMS. There's over 14 countries that are interested in that. So it's really going to come down to the timing on some of the orders, but I think we can sustain 4% to 6%, somewhere in that area, of growth, yes.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. So – but that's down. I mean, you guys were calling for 6% to 8% earlier in -

<A – Martin Benante – Curtiss-Wright Corp.>: I know, I know – yes, it's down.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay.

<A – Martin Benante – Curtiss-Wright Corp.>: There was a couple of surprises that were in there that caught us by surprise.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. So it was the surprises, just recently kind of released, nothing – that's where, basically, the downtick came from, from this release of this budget you're saying?

<A – Martin Benante – Curtiss-Wright Corp.>: Right.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay. Okay. That's fair. Just in terms of looking at commercial aerospace, what are you kind of seeing on the 787 program, and what's sort of baked into your assumptions for 2012? I know Boeing's still sitting on a lot of inventory; they're probably going to deliver some of those planes that are sitting idle. So can you give us a sense where you guys are in terms of shipping product to Boeing?

<A – Martin Benante – Curtiss-Wright Corp.>: We're looking somewhere about 40 ship sets. And one of the reasons why also is they're going to go from 21/2 to 31/2 later in the year, and then next year they're going to be five aircraft a month. And obviously we're going to be ahead of their shipments. So we're looking at about 40 ship sets.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay, perfect. And then a last question for me. The nuclear, the power generation, on the retrofit and aftermarket side, there's been some chatter out there that in order to, I guess, retrofit some of these older plants to deal with potential seismic activity, it could be just too cost-prohibitive; they just might close them. I don't know where they're going to get that extra capacity. But are you guys seeing any delays or evaluations with that market in terms of aftermarket activity as they might – the NRC and some of these operators think about the costs in relation to keeping these plants going?

<A – Martin Benante – Curtiss-Wright Corp.>: We're seeing always some delays, because they're going to – the industry's going to spend a lot of money on some of these upgrades. We don't hear anybody saying that they are going to shut down. But based on what really, totally comes out of the NRC could put some of those plants in jeopardy.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Okay.

<A – Martin Benante – Curtiss-Wright Corp.>: But we haven't heard anything about that. But I read the same article, too, and you've got to take a lot of things that are written by people not in the industry with a grain of salt.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Right, right. Okay. Great. Thanks a lot, guys. Appreciate the time.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Okay, Mike.

<A – Martin Benante – Curtiss-Wright Corp.>: Okee-doke.

Operator: Our next question comes from Tyler Hojo of Sidoti & Company. Please go ahead.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Yeah. Hi. Good morning.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Hey, Tyler.

<A – Martin Benante – Curtiss-Wright Corp.>: Hi, Tyler.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Hi. I was wondering if you could first just provide the backlog by segment. I didn't see it in the release.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Backlog by segment. About $1.150 billion for Flow Control.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: About $540 million for Motion Control.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Okay. Great. And then just the other thing I wanted to ask you about, just in regards to the super vessels business, I'm just kind of wondering, what's the size of that business today? And trying to kind of conceptualize where it could go, I mean how big do you think that business could ultimately become?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Well, I'll tell you in 2011 we did about, I think, $20 million in sales in this first partial year. They have a pretty good backlog going into next year. So I think we said before our capacity in the building that we just built is about $75 million.

<A – Martin Benante – Curtiss-Wright Corp.>: Right. It's $50 million for what we built, and we add that on to make it $75 million.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Okay. Great. And just, I guess, more broadly, when you look at the oil and gas market, I know you had said you're planning on doing some restructuring, I guess, in the early innings of 2012. What kind of visibility do you have into kind of the back-half pickup that you're looking for within that market?

<A – Martin Benante – Curtiss-Wright Corp.>: We know of all the potential companies that are looking at putting in facilities. Some of those facilities and that timing moved. So we don't have a large, a very large, increase in large capital procurement in our budget ahead of last year. But last year is the lowest it's ever been. So there is going to be some improvement. And we see some increase in our quoting activities. But we're actually going to see better increases in our other related products, such as vessels, release valves, MRO. So we were – not conservative, I shouldn't say, but we didn't put in large increases in the other valve market.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Okay. All right. And just in regards to, I guess, some of the sales that slipped out of 2011, those have been delayed into the back half of the year? Is that the right way to think of it?

<A – Martin Benante – Curtiss-Wright Corp.>: They've been delayed into 2012. We're happening to put it in our back half of the year, but it might be a little bit more symmetrical than that.

<Q – Tyler Hojo – Sidoti & Co. LLC>: Okay, okay. All right. Great. Thanks for the additional color.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Okay, Tyler.

Operator: Our next question comes from Steve Levenson of Stifel, Nicolaus. Please go ahead.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: Thanks. Good morning, Marty and Glenn.

<A – Martin Benante – Curtiss-Wright Corp.>: Hi, Steve.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Good morning, Steve.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: I thought there would be a little bit more discussion of the Southern Company's Georgia plants. Do you have any idea what the timetable might be and where things start to kick in for Curtiss-Wright?

<A – Martin Benante – Curtiss-Wright Corp.>: Well, right now, our input on – when we were talking about new construction, we actually have more input on the Unites States contract than we do on China. It's almost like two to one. They're going along very nicely.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: Sounds good.

<A – Glenn Tynan – Curtiss-Wright Corp.>: We did mention this year, Steve, that we will have increase. We were shifting from China to more on the U.S. contracts in 2012. The shipments, though, I think start in 2013 sometime, the first steps.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: Right.

<A – Glenn Tynan – Curtiss-Wright Corp.>: They go like four a quarter forever, is kind of our schedule now once we get out the first set to China. So that's mostly a shipment, but we're going to start to ramp up the revenue recognition from process on the U.S. projects this year.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: Okee-doke. Thank you. And do you have sort of a broad view on the other pending license applications? Does the fact that this one's now been approved make it easier for the next guys on the list?

<A – Martin Benante – Curtiss-Wright Corp.>: Oh, without a doubt.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: And those, I guess, are, what, still six months to a year away before you start to hear?

<A – Martin Benante – Curtiss-Wright Corp.>: That, we're not sure of.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Not sure, yeah.

<A – Martin Benante – Curtiss-Wright Corp.>: All we're saying, that, obviously, if the NRC has approved the plant and then approved the licensing, that's a very positive step. As the demand for power goes up, obviously nuclear power is going to be a percentage of it.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: Got it. Thank you. On the Metal Treatment side, how much higher can build rates go before you need to make capital investments to meet demand? Or do you have enough capacity?

<A – Martin Benante – Curtiss-Wright Corp.>: No. We have enough capacity. We're just putting in new plants throughout the world. As the manufacturing shifts from the United States into China and India, they're going to need – or our customers who are there, the same ones that we have in the United States, need the same type of service that we provide in the United States.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: Okay. And do you think you have a possibility of getting additional content on revisions of legacy models, for example 737 and maybe 777, if that one comes to pass?

<A – Martin Benante – Curtiss-Wright Corp.>: I'm sorry. I didn't really get that question.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: I didn't know if you have a chance to get – or if you could tell us if you have a chance to get additional content on revisions of legacy airplane models, like 737 and potentially on 777, if that one comes to pass?

<A – Glenn Tynan – Curtiss-Wright Corp.>: Yeah, I would think just because of the way the trends have been going, like with the 787, Steve, the more technologies we have, the more content we've been getting, so I think if they – and our relationship with Boeing has been really good – so I think if they do revisions, we would have a chance to replace some people and gain additional content. Absolutely.

<Q – Steve Levenson – Stifel, Nicolaus & Co., Inc.>: Thank you very much.

Operator: We have a follow-up from Eric Hugel of Stephens, Inc. Please go ahead.

<Q – Eric Hugel – Stephens, Inc.>: Hey, guys. Glenn, your tax rate, the, was it the 32%? Does that reflect an extension of the R&D tax credit? Or not?

<A – Glenn Tynan – Curtiss-Wright Corp.>: It does not.

<Q – Eric Hugel – Stephens, Inc.>: Okay.

<A – Glenn Tynan – Curtiss-Wright Corp.>: I would expect about a half a point reduction in the rate if the R&D credit gets through, again.

<Q – Eric Hugel – Stephens, Inc.>: And secondly, on the AP1000, the negotiations that you're having with regards to this next Chinese order, can you maybe clarify exactly what you're negotiating? Are you just negotiating with effectively Westinghouse on sort of manufacturing stuff? Or is there a negotiation directly with China regarding sort of the technology transfer and all that stuff going on also?

<A – Martin Benante – Curtiss-Wright Corp.>: No, it's more with China. Our negotiations are directly with China on the next order. There's no tech transfer. We already went through that in the first contract, there could possibly be some additional work going forward for tech transfer.

<Q – Eric Hugel – Stephens, Inc.>: So, Marty, China buys the reactor coolant pumps directly from you? You don't sell them to Westinghouse?

<A – Martin Benante – Curtiss-Wright Corp.>: Not in the next go-around, no.

<Q – Eric Hugel – Stephens, Inc.>: Interesting. Okay. Thanks a lot, guys.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Okay. Thank you, Eric.

Operator: We have a follow-up from Ken Herbert of Wedbush. Please go ahead.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Hi. Just wanted to follow up on oil and gas. It's been a couple of quarters that you've been talking about the increased MRO activity and optimism because it's typically a leading indicator for some of the bigger projects in international work. Has your confidence in these larger projects and your outlook changed at all in the last three to six months? Or where's your – what's your confidence level now on the turn that we – obviously the outlook in terms of sales is significantly better in 2012. But how is your confidence around this business?

<A – Martin Benante – Curtiss-Wright Corp.>: We're very confident about it. I mean, we've always produced very good technological products accepted in the industry. We have quite a few new designs that we have designed for oil and gas that is currently going through their acceptance. The MROs picked up. All the business other than our DeltaValve and our TEI Valve were showing some modest growth, which would be below 2010 levels, a little bit higher than 2011. So we're confident that we can hit those numbers.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. So there's no structural or fundamental change in the industry that would make you think that this cycle as it plays out could be any different than prior cycles?

<A – Martin Benante – Curtiss-Wright Corp.>: That's correct.

<Q – Ken Herbert – Wedbush Securities, Inc.>: Okay. Great. Thanks for the clarification.

<A – Glenn Tynan – Curtiss-Wright Corp.>: Thanks, Ken.

Operator: And we have a follow-up question from Michael Ciarmoli of KeyBanc. Please go ahead.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: Hey, thanks, guys. I may have missed it. Did you guys give an organic revenue growth number for next year, or a growth rate?

<A – Martin Benante – Curtiss-Wright Corp.>: You mean for this year?

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: For 2012, yeah. Sorry.

<A – Martin Benante – Curtiss-Wright Corp.>: We said – it was early in my comments. It was 6% to 8% organic growth.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: For 2012?

<A – Martin Benante – Curtiss-Wright Corp.>: That's correct.

<A – Glenn Tynan – Curtiss-Wright Corp.>: In sales. And 14% to 16% in operating income.

<A – Martin Benante – Curtiss-Wright Corp.>: Right.

<Q – Michael Ciarmoli – KeyBanc Capital Markets>: All right. Perfect. Thanks, guys.

Operator: I'm showing no further questions at this time, and I'd like to turn the conference back over to management for any closing remarks.

Martin R. Benante, Chairman & Chief Executive Officer

So thank you for joining us today, and I look forward to speaking with everyone again in our first quarter 2012 earnings report. Take care. And thank you.

Glenn E. Tynan, Chief Financial Officer & Vice President

Good day.

Operator: Well, ladies and gentlemen, this does conclude today's conference. You may all disconnect, and have a wonderful day.