

CURTISS WRIGHT CORP
Form 10-Q
August 09, 2006

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 and Exchange Act of 1934

FOR THE QUARTERLY PERIOD ENDED June 30, 2006
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 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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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.

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Common Stock, par value \$1.00 per share 43,923,622 shares (as of July 31, 2006).

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CURTISS-WRIGHT CORPORATION and SUBSIDIARIES

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PART I FINANCIAL INFORMATION
Item 1. Financial Statements

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

(In thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Net sales	\$ 309,635	\$ 283,193	\$ 592,187	\$ 541,680
Cost of sales	204,082	182,894	394,573	355,612
Gross profit	105,553	100,299	197,614	186,068
Research and development expenses	11,333	11,580	21,304	21,808
Selling expenses	19,280	17,971	37,622	34,895
General and administrative expenses	41,442	37,001	80,784	70,969
Environmental remediation and administrative expenses, net of recoveries	327	573	89	656
Loss (gain) on sale of real estate and fixed assets	94	(12)	119	(2,925)
Operating income	33,077	33,186	57,696	60,665
Other income (expense), net	9	(576)	313	(700)
Interest expense	(5,948)	(4,778)	(11,382)	(9,081)
Earnings before income taxes	27,138	27,832	46,627	50,884
Provision for income taxes	6,046	9,898	13,257	18,427
Net earnings	\$ 21,092	\$ 17,934	\$ 33,370	\$ 32,457
Basic earnings per share	\$ 0.48	\$ 0.41	\$ 0.76	\$ 0.75
Diluted earnings per share	\$ 0.48	\$ 0.41	\$ 0.75	\$ 0.74
Dividends per share	\$ 0.06	\$ 0.05	\$ 0.12	\$ 0.09
Weighted average shares outstanding:				
Basic	43,807	43,216	43,714	43,114
Diluted	44,295	43,776	44,208	43,688

Shares and per share amounts have been adjusted on a pro forma basis for the April 21, 2006 2-for-1 stock split as further described in Note 1 to the consolidated financial statements.

See notes to consolidated financial statements

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

	June 30, 2006	December 31, 2005
Assets		
Current Assets:		
Cash and cash equivalents	\$ 43,136	\$ 59,021
Receivables, net	268,834	244,689
Inventories, net	177,418	146,297
Deferred tax assets, net	23,025	28,844
Other current assets	13,006	11,615
Total current assets	525,419	490,466
Property, plant and equipment, net	289,334	274,821
Prepaid pension costs	72,516	76,002
Goodwill	407,477	388,158
Other intangible assets, net	159,898	158,267
Other assets	12,426	12,571
Total Assets	\$ 1,467,070	\$ 1,400,285
Liabilities		
Current Liabilities:		
Short-term debt	\$ 5,937	\$ 885
Accounts payable	76,218	80,460
Dividends payable	2,633	
Accrued expenses	68,245	74,252
Income taxes payable	822	22,855
Other current liabilities	55,192	43,051
Total current liabilities	209,047	221,503
Long-term debt	389,010	364,017
Deferred tax liabilities, net	50,643	53,570
Accrued pension and other postretirement benefit costs	76,492	74,999
Long-term portion of environmental reserves	21,909	22,645
Other liabilities	27,090	25,331
Total Liabilities	774,191	762,065
Stockholders Equity		
Common stock, \$1 par value	47,435	25,493
Additional paid-in capital	65,401	59,794
Retained earnings	674,109	667,892
Accumulated other comprehensive income	36,849	20,655
	823,794	773,834
Less: Cost of treasury stock	(130,915)	(135,614)
Total Stockholders Equity	692,879	638,220

Total Liabilities and Stockholders Equity	\$ 1,467,070	\$ 1,400,285
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See notes to consolidated financial statements

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

	Six Months Ended June 30,	
	2006	2005
Cash flows from operating activities:		
Net earnings	\$ 33,370	\$ 32,457
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	24,946	23,777
Loss (gain) on sale of real estate and fixed assets	119	(2,925)
Deferred income taxes	(2,368)	(1,158)
Share-based compensation	2,929	
Changes in operating assets and liabilities, net of businesses acquired:		
Increase in receivables	(13,906)	(10,070)
Increase in inventories	(25,164)	(17,375)
(Increase) decrease in progress payments	(3,129)	477
Decrease in accounts payable and accrued expenses	(16,747)	(1,937)
Increase (decrease) in deferred revenue	12,015	(888)
(Decrease) increase in income taxes payable	(15,989)	829
Increase in net pension and postretirement liabilities	4,979	1,870
Decrease in other assets	987	933
(Decrease) increase in other liabilities	(1,020)	1,238
Total adjustments	(32,348)	(5,229)
Net cash provided by operating activities	1,022	27,228
Cash flows from investing activities:		
Proceeds from sales of non-operating assets	387	11,020
Acquisitions of intangible assets	(826)	(255)
Additions to property, plant and equipment	(17,137)	(22,032)
Net cash paid for acquisitions	(34,576)	(68,942)
Net cash used for investing activities	(52,152)	(80,209)