

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

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 30, 2006  
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: 1-5129

**MOOG INC.**

(Exact name of registrant as specified in its charter)

**New York State**  
(State or Other Jurisdiction of Incorporation or Organization)

**16-0757636**  
(I.R.S. Employer Identification No.)

**East Aurora, New York**  
(Address of Principal Executive Offices)

**14052-0018**  
(Zip Code)

Telephone number including area code: **(716) 652-2000**

\_\_\_\_\_  
Former name, former address and former fiscal year, if changed since last report.

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 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, 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

The number of shares outstanding of each class of common stock as of February 2, 2007 was:

Class A common stock, \$1.00 par value 38,239,631 shares

Class B common stock, \$1.00 par value 4,197,677 shares

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**MOOG INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
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**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****MOOG INC.**  
**Consolidated Condensed Balance Sheets**  
**(Unaudited)**

(dollars in thousands)	December 30, 2006	September 30, 2006
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 58,175	\$ 57,821
Receivables	339,314	333,492
Inventories	305,342	282,720
Other current assets	55,773	54,068
<b>TOTAL CURRENT ASSETS</b>	<b>758,604</b>	<b>728,101</b>
PROPERTY, PLANT AND EQUIPMENT, net of accumulated depreciation of \$331,467 and \$320,036, respectively	329,538	310,011
GOODWILL	454,933	450,971
INTANGIBLE ASSETS, net	48,133	49,922
OTHER ASSETS	67,104	68,649
<b>TOTAL ASSETS</b>	<b>\$ 1,658,312</b>	<b>\$ 1,607,654</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Notes payable	\$ 22,824	\$ 17,119
Current installments of long-term debt	1,759	1,982
Accounts payable	100,367	99,677
Customer advances	42,574	32,148
Contract loss reserves	19,273	15,089
Other accrued liabilities	128,533	141,591
<b>TOTAL CURRENT LIABILITIES</b>	<b>315,330</b>	<b>307,606</b>
LONG-TERM DEBT, excluding current installments		
Senior debt	169,128	167,350
Senior subordinated notes	200,102	200,107
LONG-TERM PENSION AND RETIREMENT OBLIGATIONS	89,881	83,299
DEFERRED INCOME TAXES	84,638	83,587
OTHER LONG-TERM LIABILITIES	2,691	2,849
<b>TOTAL LIABILITIES</b>	<b>861,770</b>	<b>844,798</b>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock	48,605	48,605
Other shareholders' equity	747,937	714,251
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>796,542</b>	<b>762,856</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 1,658,312</b>	<b>\$ 1,607,654</b>

See accompanying Notes to Consolidated Condensed Financial Statements.

**MOOG INC.**  
**Consolidated Condensed Statements of Earnings**  
**(Unaudited)**

(dollars in thousands, except per share data)	Three Months Ended	
	December 30, 2006	December 31, 2005
NET SALES	\$ 355,981	\$ 310,171
COST OF SALES	235,299	209,574
GROSS PROFIT	120,682	100,597
Research and development	22,238	13,607
Selling, general and administrative	56,746	53,560
Interest	5,685	5,620
Other	611	327
EARNINGS BEFORE INCOME TAXES	35,402	27,483
INCOME TAXES	11,338	10,686
NET EARNINGS	\$ 24,064	\$ 16,797
NET EARNINGS PER SHARE		
Basic	\$ .57	\$ .43
Diluted	.56	.43
AVERAGE COMMON SHARES OUTSTANDING		
Basic	42,317,680	38,665,125
Diluted	43,016,743	39,339,472

See accompanying Notes to Consolidated Condensed Financial Statements.

**MOOG INC.**  
**Consolidated Condensed Statements of Cash Flows**  
**(Unaudited)**

(dollars in thousands)	Three Months Ended	
	December 30, 2006	December 31, 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net earnings	\$ 24,064	\$ 16,797
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	9,529	8,813
Amortization	2,461	1,983
Stock compensation expense	1,602	2,012
Other	(15,014)	(12,701)
NET CASH PROVIDED BY OPERATING ACTIVITIES	22,642	16,904
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of businesses, net of acquired cash	(3,153)	(23,335)
Purchase of property, plant and equipment	(24,911)	(16,877)
Other	17	95
NET CASH USED BY INVESTING ACTIVITIES	(28,047)	(40,117)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from notes payable	5,366	25
Net proceeds from revolving lines of credit	24,000	30,000
Proceeds from long-term debt	354	126
Payments on long-term debt	(26,220)	(4,042)
Excess tax benefits from share-based payment arrangements	142	127
Other	782	471
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,424	26,707
Effect of exchange rate changes on cash	1,335	(701)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	354	2,793
Cash and cash equivalents at beginning of period	57,821	33,750
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	\$ 58,175	\$ 36,543
<b>CASH PAID FOR:</b>		
Interest	\$ 2,203	\$ 2,174
Income taxes	6,765	5,323

See accompanying Notes to Consolidated Condensed Financial Statements.

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**MOOG INC.**  
**Notes to Consolidated Condensed Financial Statements**  
**Three Months Ended December 30, 2006**  
**(Unaudited)**  
**(dollars in thousands, except per share data)**

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**Note 1 - Basis of Presentation**

The accompanying unaudited consolidated condensed financial statements have been prepared by management in accordance with generally accepted accounting principles in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments consisting of normal recurring adjustments considered necessary for fair presentation of results for the interim period have been included. The results of operations for the three months ended December 30, 2006 are not necessarily indicative of the results expected for the full year. The accompanying unaudited consolidated condensed financial statements should be read in conjunction with the financial statements and notes thereto included in our Form 10-K for the fiscal year ended September 30, 2006. All references to years in these financial statements are to fiscal years.

Our fiscal year ends on the Saturday in September or October that is closest to September 30. Our financial statements will include 52 weeks in 2007 and included 53 weeks in 2006. Our financial statements include 13 weeks for the three months ended December 30, 2006 and 14 weeks for the three months ended December 31, 2005. While this may have an impact on the comparability of the reported financial results, the impact cannot be determined.

**Note 2 - Acquisitions**

All of our acquisitions are accounted for under the purchase method and, accordingly, the operating results for the acquired companies are included in the consolidated statements of earnings from the respective dates of acquisition.

In the first quarter of 2007, we acquired a ball screw manufacturer for \$2,547 in cash and \$2,935 in assumed debt. We also paid a \$63 purchase price adjustment related to the 2005 acquisition of FCS Control Systems, increasing goodwill by \$63.

On August 24, 2006, we acquired McKinley Medical by issuing 445,725 shares of Moog Class A common stock valued at \$14,993 and \$550 in cash, of which \$543 was paid in the first quarter of 2007. McKinley Medical designs, assembles and distributes disposable pumps and accessories used principally to administer therapeutic drugs for chemotherapy and antibiotic applications, and post-operative medication for pain management. This acquisition further expands our participation in medical markets.

On April 7, 2006, we acquired Curlin Medical and affiliated companies. The adjusted purchase price was \$77,056, which was financed with credit facility borrowings and a \$12,000 53-week unsecured note. Curlin Medical is a manufacturer of infusion pumps that provide controlled delivery of therapeutic drugs to patients. This acquisition formed our newest segment, Medical Devices, and expands our participation in medical markets.

On November 23, 2005, we acquired Flo-Tork Inc. The adjusted purchase price was \$25,739, which was financed with credit facility borrowings. Flo-Tork is a leading designer and manufacturer of hydraulic and pneumatic rotary actuators and specialized cylinders for niche military and industrial applications. This acquisition not only expands our reach within Industrial Controls, but also provides new opportunities for naval applications within Space and Defense Controls.

Our purchase price allocations for the ball screw manufacturer, McKinley Medical and Curlin Medical are based on preliminary estimates of fair values of assets acquired and liabilities assumed. The estimates for McKinley Medical and Curlin Medical are substantially complete with the exception of certain amounts such as receivables.

**Note 3 - Stock-Based Compensation**

We have stock option plans that authorize the issuance of options for shares of Class A common stock to directors, officers and key employees. Stock option grants are designed to reward long-term contributions to Moog and provide incentives for recipients to remain with Moog. The 2003 Stock Option Plan (2003 Plan) authorizes the issuance of options for 1,350,000 shares of Class A common stock. The 1998 Stock Option Plan (1998 Plan) authorizes the issuance of options for 2,025,000 shares of Class A common stock. Under the terms of the plans, options may be either incentive or non-qualified. Options issued as of December 30, 2006 consisted of both incentive stock options and non-qualified stock options. The exercise price, determined by a committee of the Board of Directors, may not be less than the fair market value of the Class A common stock on the grant date. Options become exercisable over periods not exceeding ten years.

Stock compensation expense recognized is based on share-based payment awards that are ultimately expected to vest. Vesting requirements vary for directors, officers and key employees. In general, options granted to outside directors vest one year from the date of grant, options granted to officers vest on various schedules and options granted to key employees are graded vested over a five-year period from the date of grant.

**Note 4 - Inventories**

	December 30, 2006	September 30, 2006
Raw materials and purchased parts	108,820	101,974
Work in progress	158,399	134,492
Finished goods	38,123	46,254
<b>Total</b>	<b>305,342</b>	<b>282,720</b>

**Note 5 - Goodwill and Intangible Assets**

The changes in the carrying amount of goodwill for the three months ended December 30, 2006 are as follows:

	Balance as of September 30, 2006	Current Year Acquisitions	Adjustment To Prior Year Acquisitions	Foreign Currency Translation	Balance as of December 30, 2006
Aircraft Controls	\$ 103,826	\$ -	\$ -	\$ 42	\$ 103,868
Space and Defense Controls	49,806	-	-	-	49,806
Industrial Controls	91,116	2,038	63	2,342	95,559
Components	142,740	-	-	(953)	141,787
Medical Devices	63,483	-	430	-	63,913
<b>Total</b>	<b>\$ 450,971</b>	<b>\$ 2,038</b>	<b>\$ 493</b>	<b>\$ 1,431</b>	<b>\$ 454,933</b>

All acquired intangible assets other than goodwill are being amortized. The weighted-average amortization period is eight years for customer-related, technology-related and marketing-related intangible assets and ten years for artistic-related intangible assets. In total, these intangible assets have a weighted-average life of eight years. Customer-related intangible assets primarily consist of customer relationships. Technology-related intangible assets primarily consist of technology, patents, intellectual property and engineering drawings. Marketing-related intangible assets primarily consist of non-compete agreements, trademarks and tradenames.

Amortization of acquired intangible assets was \$2,118 and \$1,427 for the three months ended December 30, 2006 and December 31, 2005, respectively. Based on acquired intangible assets recorded at December 30, 2006, amortization is expected to be \$8,017 in 2007, \$7,193 in 2008, \$6,793 in 2009, \$6,730 in 2010 and \$6,505 in 2011. The gross carrying amount and accumulated amortization for major categories of acquired intangible assets are as follows:

	December 30, 2006		September 30, 2006	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer-related	\$ 32,376	\$ (9,607)	\$ 32,084	\$ (8,468)
Technology-related	24,006	(3,699)	23,829	(2,867)
Marketing-related	9,668	(6,154)	9,629	(5,906)
Artistic-related	25	(13)	25	(12)
<b>Acquired intangible assets</b>	<b>\$ 66,075</b>	<b>\$ (19,473)</b>	<b>\$ 65,567</b>	<b>\$ (17,253)</b>

## Note 6 - Product Warranties

In the ordinary course of business, we warrant our products against defects in design, materials and workmanship typically over periods ranging from twelve to thirty-six months. We determine warranty reserves needed by product line based on historical experience and current facts and circumstances. Activity in the warranty accrual is summarized as follows:

	Three Months Ended	
	December 30, 2006	December 31, 2005
Warranty accrual at beginning of period	\$ 5,968	\$ 4,733
Warranties issued during current period	1,578	1,217
Reductions for settling warranties	(1,617)	(1,284)
Foreign currency translation	117	(41)
Warranty accrual at end of year	\$ 6,046	\$ 4,625

## Note 7 - Credit Facility

On October 25, 2006, we amended our U.S. credit facility. Previously our credit facility consisted of a \$75,000 term loan and a \$315,000 million revolver. Our new revolving credit facility, which matures on October 25, 2011, increased our borrowing capacity to \$600,000. The credit facility is secured by substantially all of our U.S. assets. The loan agreement contains various covenants, which, among others, specify minimum consolidated net worth and interest coverage and maximum leverage and capital expenditures. Interest on outstanding credit facility borrowings is based on LIBOR, plus the applicable margin, which is currently 100 basis points.

## Note 8 - Derivative Financial Instruments

We use derivative financial instruments to manage the risk associated with changes in interest rates that affect the amount of future interest payments. At September 30, 2006, we had outstanding interest rate swaps with a \$35,000 notional amount, effectively converting that amount of variable-rate debt to fixed-rate debt. The \$35,000 notional amount matured in the first quarter of 2007. Activity in Accumulated Other Comprehensive Income (AOCI) related to derivatives held by us during the first three months of 2007 is summarized below:

	Pre-Tax Amount	Income Tax	After-Tax Amount
Accumulated gain at September 30, 2006	\$ 139	\$ (53)	\$ 86
Net increase in fair value of derivatives	2	(1)	1
Net reclassification form AOCI into earnings	(141)	54	(87)
Accumulated gain at December 30, 2006	\$ -	\$ -	\$ -

To the extent that the interest rate swaps are not perfectly effective in offsetting the change in the value of the interest payments being hedged, the ineffective portion of these contracts is recognized in earnings immediately. Ineffectiveness was not material in the first three months of 2007 or 2006. At September 30, 2006, the fair value of interest rate swaps was \$273, which is included in other current assets.

We have foreign currency exposure on intercompany loans that are denominated in a foreign currency and are adjusted to current values using period-end exchange rates. The resulting gains or losses are recorded in the statements of earnings. To minimize the foreign currency exposure, we have foreign currency forwards with a notional amount of \$22,219. The foreign currency forwards are recorded in the balance sheet at fair value and resulting gains or losses are recorded in the statements of earnings, generally offsetting the gains or losses from the adjustments on the intercompany loans. At December 30, 2006, the fair value of the foreign currency forwards was a \$544 net asset, most of which was included in other current assets. At September 30, 2006, the fair value of the foreign currency forwards was a \$521 liability, most of which was included in other accrued liabilities.

**Note 9 - Employee Benefit Plans**

Net periodic benefit costs for U.S. pension plans consist of:

	Three Months Ended	
	December 30, 2006	December 31, 2005
Service cost	\$ 3,750	\$ 3,950
Interest cost	5,205	4,688
Expected return on plan assets	(6,710)	(5,325)
Amortization of prior service cost	279	273
Amortization of actuarial loss	1,133	2,142
Pension expense for defined benefit plans	3,657	5,728
Pension expense for defined contribution plans	290	259
Total pension expense for U.S. plans	\$ 3,947	\$ 5,987

Net periodic benefit costs for non-U.S. pension plans consist of:

	Three Months Ended	
	December 30, 2006	December 31, 2005
Service cost	\$ 915	\$ 874
Interest cost	1,206	987
Expected return on plan assets	(706)	(556)
Amortization of prior service credit	(9)	(10)
Amortization of actuarial loss	204	274
Pension expense for defined benefit plans	1,610	1,569
Pension expense for defined contribution plans	355	218
Total pension expense for non-U.S. plans	\$ 1,965	\$ 1,787

Net periodic benefit costs for the post-retirement health care benefit plan consist of:

	Three Months Ended	
	December 30, 2006	December 31, 2005
Service cost	\$ 100	\$ 88
Interest cost	301	240
Amortization of transition obligation	98	98
Amortization of prior service cost	72	72
Amortization of actuarial loss	131	95
Net periodic post-retirement benefit cost	\$ 702	\$ 593

During the three months ended December 30, 2006, we made contributions to our defined benefit pension plans of \$3,068 to the U.S. plans and \$937 to the non-U.S. plans. We presently anticipate contributing an additional \$12,000 to the U.S. plans and \$4,000 to the non-U.S. plans in 2007 for a total of approximately \$20,000.

**Note 10 - Shareholders' Equity**

The changes in shareholders' equity for the three months ended December 30, 2006 are summarized as follows:

	Amount	Number of Shares	
		Class A Common Stock	Class B Common Stock
<b>COMMON STOCK</b>			
Beginning of period	\$ 48,605	40,670,529	7,934,184
Conversion of Class B to Class A	-	23,500	(23,500)
End of period	48,605	40,694,029	7,910,684
<b>ADDITIONAL PAID-IN CAPITAL</b>			
Beginning of period	292,565		
Stock compensation expense	1,602		
Issuance of Treasury shares at more than cost	328		
Adjustment to market - SECT and other	1,439		
End of period	295,934		
<b>RETAINED EARNINGS</b>			
Beginning of period	469,127		
Net earnings	24,064		
End of period	493,191		
<b>TREASURY STOCK</b>			
Beginning of period	(40,354)	(2,584,243)	(3,305,971)
Treasury stock issued	308	57,835	-
Treasury stock purchased	(338)	(8,695)	-
End of period	(40,384)	(2,535,103)	(3,305,971)
<b>STOCK EMPLOYEE COMPENSATION TRUST (SECT)</b>			
Beginning of period	(14,652)		(418,628)
Sale of stock to SSOP Plan	781		20,200
Purchases of stock	(276)		(7,608)
Adjustment to market - SECT	(1,299)		-
End of period	(15,446)		(406,036)
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>			
Beginning of period	7,565		
Foreign currency translation adjustment	7,163		
Decrease in accumulated gain on derivatives	(86)		
End of period	14,642		
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$ 796,542</b>	<b>38,158,926</b>	<b>4,198,677</b>

**Note 11 - Stock Employee Compensation Trust**

The Stock Employee Compensation Trust (SECT) assists in administering and provides funding for employee stock plans and benefit programs, including the Moog Inc. Savings and Stock Ownership Plan (SSOP). The shares in the SECT are not considered outstanding for purposes of calculating earnings per share. However, in accordance with the trust agreement governing the SECT, the SECT trustee votes all shares held by the SECT on all matters submitted to shareholders.

**Note 12 - Earnings per Share**

Basic and diluted weighted-average shares outstanding are as follows:

	Three Months Ended	
	December 30, 2006	December 31, 2005
Weighted-average shares outstanding - Basic	42,317,680	38,665,125
Dilutive effect of stock options	699,063	674,347
Weighted-average shares outstanding - Diluted	43,016,743	39,339,472

On February 21, 2006, we completed the offering and sale of 2,875,000 shares of Class A common Stock at a price of \$31 per share. We used proceeds of \$84,497 to pay down outstanding credit facility borrowings.

**Note 13 - Comprehensive Income**

The components of comprehensive income are as follows:

	Three Months Ended	
	December 30, 2006	December 31, 2005
Net earnings	\$ 24,064	\$ 16,797
Other comprehensive income (loss):		
Foreign currency translation adjustment	7,163	(3,671)
Decrease in accumulated gain on derivatives, net of tax	(86)	(199)
Comprehensive income	\$ 31,141	\$ 12,927

The components of accumulated other comprehensive income are as follows:

	December 30, 2006	September 30, 2006
Cumulative foreign currency translation adjustment	\$ 25,765	\$ 18,602
Minimum pension liability adjustment	(11,123)	(11,123)
Accumulated gain on derivatives	-	86
Accumulated other comprehensive income	\$ 14,642	\$ 7,565

#### Note 14 - Segment Information

Below are sales and operating profit by segment for the three months ended December 30, 2006 and December 31, 2005 and a reconciliation of segment operating profit to earnings before income taxes. Operating profit is net sales less cost of sales and other operating expenses, excluding stock compensation expense and other corporate expenses. Cost of sales and other operating expenses are directly identifiable to the respective segment or allocated on the basis of sales, manpower or profit.

	Three Months Ended	
	December 30, 2006	December 31, 2005
Net sales:		
Aircraft Controls	\$ 130,788	\$ 127,105
Space and Defense Controls	43,665	37,102
Industrial Controls	102,230	90,142
Components	68,319	55,822
Medical Devices	10,979	-
Net sales	\$ 355,981	\$ 310,171
Operating profit and margins:		
Aircraft Controls	\$ 13,319	\$ 15,940
	10.2%	12.5%
Space and Defense Controls	5,376	1,768
	12.3%	4.8%
Industrial Controls	13,499	11,550
	13.2%	12.8%
Components	13,115	10,147
	19.2%	18.2%
Medical Devices	2,145	-
	19.5%	-
Total operating profit	47,454	39,405
	13.3%	12.7%
Deductions from operating profit:		
Interest expense	5,685	5,620
Stock compensation expense	1,602	2,012
Corporate expenses and other	4,765	4,290
Earnings before income taxes	\$ 35,402	\$ 27,483

#### Note 15 - Recent Accounting Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 clarifies the accounting and reporting for income taxes recognized in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken on income tax returns. FIN 48 is effective for fiscal years beginning after December 15, 2006. We are currently evaluating the impact of adopting FIN 48 on our consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." This statement establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurement. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. We are currently evaluating the impact of adopting SFAS No. 157 on our consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)." This statement requires entities to recognize an asset for a defined benefit postretirement plan's overfunded status or a liability for a plan's underfunded status in its balance sheet, with changes in funded status being recognized in comprehensive income in the year in which the changes occur. This requirement is effective for fiscal years ending after December 15, 2006. This statement also requires an entity to measure a defined benefit postretirement plan's assets and obligations that determine its funded status as of the end of the employers' fiscal year. This requirement is effective for fiscal years ending after December 15, 2008. We are currently evaluating the impact of adopting SFAS No. 158 on our consolidated financial statements.

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**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

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The following should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's Form 10-K for the fiscal year ended September 30, 2006. All references to years in this Management's Discussion and Analysis of Financial Condition and Results of Operations are to fiscal years.

**OVERVIEW**

We are a leading worldwide designer and manufacturer of high performance, precision motion and fluid controls and control systems for a broad range of applications in aerospace, defense, industrial and medical device markets. Our products and systems include military and commercial aircraft flight controls, satellite positioning controls, controls for steering tactical and strategic missiles, thrust vector controls for space launch vehicles and controls for positioning gun barrels and automatic ammunition loading for military combat vehicles. Our products are also used in a wide variety of industrial applications, including injection molding machines for the plastics market, test equipment, metal forming, power generating turbines, simulators used to train pilots and certain medical applications. We operate under five segments, Aircraft Controls, Space and Defense Controls, Industrial Controls, Components and Medical Devices. Our principal manufacturing facilities are located in the United States, including facilities in New York, California, Utah, Virginia, North Carolina and Pennsylvania, and in Germany, Italy, England, Japan, the Philippines, Ireland and India.

Revenue under long-term contracts, representing approximately one-third of our sales, is recognized using the percentage of completion, cost-to-cost method of accounting. This method of revenue recognition is associated with the Aircraft Controls and Space and Defense Controls segments due to the long-term contractual nature of the business activities, with the exception of their respective aftermarket activities. The remainder of our sales are recognized when the risks and rewards of ownership and title to the product are transferred to the customer, principally as units are delivered or as service obligations are satisfied. This method of revenue recognition is associated with the Industrial Controls, Components and Medical Devices segments, as well as with aftermarket activity.

We intend to increase our revenue base and improve our profitability and cash flows from operations by building on our market leadership positions and by strengthening our niche market positions in the principal markets that we serve. We also expect to maintain a balanced, diversified portfolio in terms of markets served, product applications, customer base and geographic presence. Our strategy to achieve our objectives includes maintaining our technological excellence by building upon our systems integration capabilities while solving our customers' most demanding technical problems, growing our profitable aftermarket business, entering and developing new markets by using our broad expertise as a designer and supplier of precision controls, taking advantage of our global engineering, selling and manufacturing capabilities, striving for continuing cost improvements and capitalizing on strategic acquisition opportunities.

Challenges facing us include improving shareholder value through increased profitability while experiencing pricing pressures from customers, strong competition and increases in costs such as health care. We address these challenges by focusing on strategic revenue growth and by continuing to improve operating efficiencies through various process and manufacturing initiatives and using low cost manufacturing facilities without compromising quality.

**Acquisitions**

All of our acquisitions are accounted for under the purchase method and, accordingly, the operating results for the acquired companies are included in the consolidated statements of earnings from the respective dates of acquisition.

In the first quarter of 2007, we acquired a ball screw manufacturer for \$2.5 million in cash and \$2.9 million in assumed debt.

On August 24, 2006, we acquired McKinley Medical by issuing 445,725 shares of Moog Class A common stock valued at \$15 million and \$.6 million in cash, of which \$.5 million was paid in the first quarter of 2007. McKinley Medical designs, assembles and distributes disposable pumps and accessories used principally to administer therapeutic drugs for chemotherapy and antibiotic applications, and post-operative medication for pain management. This acquisition further expands our participation in medical markets.

On April 7, 2006, we acquired Curlin Medical and affiliated companies. The adjusted purchase price was \$77 million, which was financed with credit facility borrowings and a \$12 million 53-week unsecured note. Curlin Medical is a manufacturer of infusion pumps that provide controlled delivery of therapeutic drugs to patients. This acquisition formed our newest segment, Medical Devices, and expands our participation in medical markets.

On November 23, 2005, we acquired Flo-Tork Inc. The adjusted purchase price was \$26 million, which was financed with credit facility borrowings. Flo-Tork is a leading designer and manufacturer of hydraulic and pneumatic rotary actuators and specialized cylinders for niche military and industrial applications. This acquisition not only expands our reach within Industrial Controls, but also provides new opportunities for naval applications within Space and Defense Controls.

Our purchase price allocations for the ball screw manufacturer, McKinley Medical and Curlin Medical are based on preliminary estimates of fair values of assets acquired and liabilities assumed. The estimates for McKinley Medical and Curlin Medical are substantially complete with the exception of certain amounts such as receivables.

**Issuance of Class A Common Stock**

On February 21, 2006, we completed the offering and sale of 2,875,000 shares of Class A common stock at a price of \$31 per share. We used the net proceeds of \$84 million to pay down outstanding credit facility borrowings.

## **RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 clarifies the accounting and reporting for income taxes recognized in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken on income tax returns. FIN 48 is effective for fiscal years beginning after December 15, 2006. We are currently evaluating the impact of adopting FIN 48 on our consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." This statement establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurement. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. We are currently evaluating the impact of adopting SFAS No. 157 on our consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106 and 132(R)." This statement requires entities to recognize an asset for a defined benefit postretirement plan's overfunded status or a liability for a plan's underfunded status in its balance sheet, with changes in funded status being recognized in comprehensive income in the year in which the changes occur. This requirement is effective for fiscal years ending after December 15, 2006. This statement also requires an entity to measure a defined benefit postretirement plan's assets and obligations that determine its funded status as of the end of the employers' fiscal year. This requirement is effective for fiscal years ending after December 15, 2008. We are currently evaluating the impact of adopting SFAS No. 158 on our consolidated financial statements.

## CONSOLIDATED RESULTS OF OPERATIONS AND OUTLOOK

(dollars in millions)	Three Months Ended	
	December 30, 2006	December 31, 2005
Net sales	\$ 356.0	\$ 310.2
Gross margin	33.9%	32.4%
Research and development expenses	\$ 22.2	\$ 13.6
Selling, general and administrative expenses as a percentage of sales	15.9%	17.3%
Interest expense	\$ 5.7	\$ 5.6
Effective tax rate	32.0%	38.9%
Net earnings	\$ 24.1	\$ 16.8

Our fiscal year ends on the Saturday in September or October that is closest to September 30. Our financial statements will include 52 weeks in 2007 and included 53 weeks in 2006. Our financial statements include 13 weeks for the three months ended December 30, 2006 and 14 weeks for the three months ended December 31, 2005. While this may have an impact on the comparability of the reported financial results, the impact cannot be determined.

Net sales increased 15% in the first quarter of 2007 over the first quarter of 2006. Sales increased in each of our segments.

Our gross margin improved in the first quarter of 2007 compared to the same period last year due to favorable product mix in three of our segments, Space and Defense Controls, Industrial Controls and Components. Our Medical Devices segment, newly formed in the third quarter of 2006, also reported strong gross margins. Our gross margin can also be influenced by additions to contract loss reserves and, in this quarter, additions to contract loss reserves partially offset the impacts of higher volume and favorable product mix. Our additions to contract loss reserves, mostly associated with aircraft development contracts, were \$7 million in the first quarter of 2007 compared to \$5 million in the first quarter of 2006.

Research and development expenses significantly increased in the first quarter of 2007 over the first quarter last year. The higher level of research and development expenses largely relates to development activities on Boeing's next generation commercial aircraft, the 787 Dreamliner. Those activities increased steadily during 2005 and 2006, and our first quarter expense was about the same as last year's fourth quarter. During 2007, we expect our development efforts on the 787 to decrease as hardware moves into qualification testing.

Selling, general and administrative expenses as a percentage of sales were lower in the first quarter of 2007 compared to the first quarter last year. During the first quarter of 2006, we terminated an agreement with a long-standing sales representative and recognized a \$2 million charge associated with the settlement. In addition, our stock option expense was higher in the first quarter of 2006 due to incremental expense for retirements.

Our effective tax rate was lower in the first quarter of 2007 compared to the first quarter of 2006. Our effective tax rate was negatively impacted in the first quarter of 2006 by a \$2 million write-off of a tax asset at our U.K. subsidiary resulting from an adverse European tax court ruling for an unrelated taxpayer.

Net earnings increased 43% and diluted earnings per share increased 30% in the first quarter of 2007 compared to the first quarter of 2006. Average common shares outstanding increased primarily as a result of the sale of 2,875,000 shares of Class A common stock on February 21, 2006.

**2007 Outlook** - We expect sales in 2007 to increase by a range of 9% to 11% to between \$1.43 billion and \$1.45 billion. Sales are estimated to increase by an amount between \$20 million and \$40 million in Industrial Controls, \$29 million in Components, \$27 million in Medical Devices, \$27 million in Space and Defense Controls and \$20 million in Aircraft Controls. We expect margins to be 13.0% in 2007 compared to 12.4% in 2006. We expect our operating margins to increase in each of our segments other than Aircraft Controls. We expect net earnings to increase to between \$98 million and \$101 million. We expect diluted earnings per share to increase by a range of 15% to 19% to between \$2.26 and \$2.34.

## SEGMENT RESULTS OF OPERATIONS AND OUTLOOK

Operating profit, as presented below, is net sales less cost of sales and other operating expenses, excluding stock compensation expense and other corporate expenses. Cost of sales and other operating expenses are directly identifiable to the respective segment or allocated on the basis of sales, manpower or profit. Operating profit is reconciled to earnings before income taxes in Note 14 of the Notes to Consolidated Condensed Financial Statements included in this report.

### Aircraft Controls

(dollars in millions)	Three Months Ended	
	December 30, 2006	December 31, 2005
Net sales - military aircraft	\$ 79.6	\$ 79.8
Net sales - commercial aircraft	51.2	47.3
	\$ 130.8	\$ 127.1
Operating profit	\$ 13.3	\$ 15.9
Operating margin	10.2%	12.5%
Backlog	\$ 288.7	\$ 258.4

Net sales in Aircraft Controls increased 3% in the first quarter of 2007 and the sales growth was all in commercial aircraft. OEM sales to Boeing increased \$2 million and commercial aftermarket sales increased \$1 million. Aircraft Controls is in a period of significant new product and program development.

Our operating margin decreased in the first quarter of 2007, reflecting significant research and development efforts on the 787 over the past two years. Research and development expenses associated with our efforts on the 787 doubled to \$10 million in the first quarter of 2007. Also in our first quarter, additions to our loss reserves for certain aircraft development contracts were \$6 million for unanticipated cost issues associated with challenging development initiatives on significant, complex programs. Cost increases on the Airbus A400M program and on our business jet activities were most notable in the first quarter. Similarly, in last year's first quarter, we also had additions to our loss reserves on certain aircraft development contracts of \$5 million.

Twelve-month backlog for Aircraft Controls increased to December 30, 2006 from December 31, 2005 largely related to strong commercial orders.

**2007 Outlook for Aircraft Controls** - We expect sales in Aircraft Controls to increase 4% to \$548 million in 2007, with an increase in commercial aircraft being partially offset by a modest decrease in military aircraft. The expected increase in commercial aircraft sales relates to Boeing OEM, including the beginning of production on the 787, and business jets on which production quantities are ramping up. Within military aircraft, we expect sales to decrease on the F-35 Joint Strike Fighter as our development efforts wind down and we prepare to transition into production. We expect our operating margin to be 11.9% in 2007, a decline from 12.6% in 2006, resulting from the changing balance of the business as the commercial portion increases and the continuing need for a relatively high level of research and development.

## Space and Defense Controls

(dollars in millions)	Three Months Ended	
	December 30, 2006	December 31, 2005
Net sales	\$ 43.7	\$ 37.1
Operating profit	\$ 5.4	\$ 1.8
Operating margin	12.3%	4.8%
Backlog	\$ 127.7	\$ 99.3

Net sales in Space and Defense Controls increased 18% in the first quarter of 2007. The most significant sales increase was \$6 million in new defense controls programs. The Marine's Light-Armored Vehicle (LAV-25) program, which started in the second quarter of 2006, generated \$5 million of sales in the first quarter of 2007 and Future Combat Systems, which started in the third quarter of 2006, generated \$1 million of sales this quarter. In addition, sales increased \$1 million on our near-complete refurbishment efforts for orbiter actuators on the Space Shuttle and \$1 million on Naval systems, a product line acquired with the Flo-Tork acquisition in the first quarter of 2006.

Our operating margin for Space and Defense Controls was strong in the first quarter of 2007, due largely to a very favorable product mix and strong sales volume. The first quarter of 2007 also favorably compares to the first quarter of 2006 due to the \$2 million charge associated with the termination of a sales representative agreement in the first quarter of 2006.

Twelve-month backlog for Space and Defense Controls increased to December 30, 2006 from December 31, 2005 due to increased orders on the LAV-25 and Future Combat Systems defense controls programs and on various satellites programs.

**2007 Outlook for Space and Defense Controls** - We expect sales in Space and Defense Controls to increase 18% to \$175 million in 2007. Sales of defense controls, including hardware for Future Combat Systems and for LAV-25, are expected to increase significantly. We expect sales of controls for tactical missiles to decrease and partially offset the increase in sales of defense controls. Sales of controls for tactical missiles will decrease related to declining activity on a number of programs including VT-1 and Maverick. We expect our operating margin in 2007 to be 9.5%, down from the strong first quarter due to anticipated changes to the product mix. This would be an improvement over the 9.0% we achieved in 2006.

## Industrial Controls

(dollars in millions)	Three Months Ended	
	December 30, 2006	December 31, 2005
Net sales	\$ 102.2	\$ 90.1
Operating profit	\$ 13.5	\$ 11.6
Operating margin	13.2%	12.8%
Backlog	\$ 122.6	\$ 114.6

Net sales in Industrial Controls increased 13% in the first quarter of 2007. While some of our larger markets, such as plastics making machinery and motion simulation, contributed to the increase in sales, the largest increases were in heavy industry and presses and metal forming. The heavy industry market, for which we manufacture controls for steel mills, continues to be strong due to high demand in China. Stronger foreign currencies, in particular the euro, compared to the U.S. dollar also had a positive impact on sales, representing 39% of the sales increase.

Our operating margin for Industrial Controls improved in the first quarter of 2007 over the first quarter of 2006 due to a more favorable product mix. In addition, as we move more towards supplying systems instead of components over time, we expect the overall trend of margins to remain strong.

The higher level of twelve-month backlog for Industrial Controls at December 30, 2006 compared to December 31, 2005 primarily related to increased orders for motion simulation programs.

**2007 Outlook for Industrial Controls** - We expect sales in Industrial Controls to increase between 5% and 11% to an amount in the range of \$401 million to \$421 million in 2007. The expected sales growth is most significant for the test and plastics markets. We expect our operating margin to be 12.8% in 2007, an improvement over our 2006 margin of 11.8%, due to stronger sales and improved operating efficiencies.

## Components

(dollars in millions)	Three Months Ended	
	December 30, 2006	December 31, 2005
Net sales	\$ 68.3	\$ 55.8
Operating profit	\$ 13.1	\$ 10.1
Operating margin	19.2%	18.2%
Backlog	\$ 113.7	\$ 98.4

Net sales in Components increased 22% in the first quarter of 2007, resulting from increases of \$7 million in controls for aircraft and \$5 million in defense controls. Two of our largest current aircraft programs, the Euro Fighter on which we supply fiber optic transmitters and the Black Hawk on which we supply slip rings used in deicing, contributed to the increase in sales of controls for aircraft, in addition to contributions from various smaller programs. Sales of defense controls, including foreign military sales of fiber optic modems for battlefield communication and various components supplied on the commander's independent viewer for the Bradley fighting vehicle, also increased.

Our operating margin was even stronger in the first quarter of 2007 relative to the strong results we experienced in the first quarter of 2006. The improvement reflects our rapid growth in sales of controls for aircraft, especially aftermarket sales, and defense controls.

The higher level of twelve-month backlog at December 30, 2006 compared to December 31, 2005 primarily relates to increased military aircraft orders.

**2007 Outlook for Components** - We expect sales in Components to increase 12% to \$266 million in 2007. As we experienced in the first quarter of 2007, we expect the largest sales increases in 2007 to be in defense controls and controls for aircraft. We expect our operating margin to be 16.7% in 2007, reflecting our strong first quarter performance with some moderation during the remaining quarters of 2007, compared to 15.5% in 2006.

## Medical Devices

(dollars in millions)	Three Months Ended	
	December 30, 2006	
Net sales	\$	11.0
Operating profit		2.1
Operating margin	\$	19.5%
Backlog	\$	2.6

The Medical Devices segment was established in the third quarter of 2006 as a result of the acquisition of Curlin Medical. The McKinley Medical acquisition in the fourth quarter of 2006 added to this segment.

Our operating margin for Medical Devices was 19.5% in the first quarter of 2007. These results include a \$1 million charge related to a purchase accounting step-up in inventory and the amortization of intangible assets.

**2007 Outlook for Medical Devices** - We expect sales in Medical Devices to be \$40 million in 2007, our first full year of sales in this segment. We expect our operating margin will be 20.0% after including \$3 million of purchase accounting adjustments.

## FINANCIAL CONDITION AND LIQUIDITY

(dollars in millions)	Three Months Ended	
	December 30, 2006	December 31, 2005
Net cash provided (used) by:		
Operating activities	\$ 22.6	\$ 16.9
Investing activities	(28.0)	(40.1)
Financing activities	4.4	26.7

Cash flow from operations and available borrowing capacity provide us with resources needed to run our operations, continually reinvest in our business and take advantage of acquisition opportunities as they may arise.

### Operating activities

Net cash provided by operating activities increased in the first three months of 2007 compared to the first three months in 2006. The higher level of net cash provided by operating activities relates to a higher level of customer advances, mainly on certain foreign military programs and a medical components customer, in addition to higher net earnings. Depreciation and amortization was \$12 million in the first three months of 2007 compared to \$11 million in the first three months of 2006. Provisions for losses were \$10 million in first three months of 2007 compared to \$8 million in the first three months of 2006.

### Investing activities

Net cash used by investing activities in the first quarter of 2007 consisted of \$3 million of the purchase price for the ball screw manufacturer and \$25 million of capital expenditures. The high level of capital expenditures in the first quarter of 2007 resulted from the procurement of capital equipment for the Boeing 787 production program and, to lesser extent, facility expansions in the U.S. and China. Net cash used by investing activities in the first quarter on 2006 consisted of the \$24 million purchase price for the Flo-Tork acquisition, offset partially by a working capital adjustment related to our July 2005 acquisition of the Power and Data Technologies Group of the Kaydon Corporation, and \$17 million of capital expenditures.

### Financing activities

Net cash provided by financing activities in the first quarter of 2006 primarily related to borrowings on our revolving credit facility used to fund the Flo-Tork acquisition.

### Off Balance Sheet Arrangements

We do not have any material off balance sheet arrangements that have or are reasonably likely to have a material future effect on our results of operations or financial condition.

### Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments have not changed materially from the disclosures in our 2006 Form 10-K.

## CAPITAL STRUCTURE AND RESOURCES

We maintain bank credit facilities to fund our short and long-term capital requirements, including for acquisitions. From time to time, we also sell equity and debt securities to fund acquisitions or take advantage of favorable market conditions.

On October 25, 2006, we amended our existing U.S. credit facility. Previously our credit facility consisted of a \$75 million term loan and a \$315 million revolver. Our new revolving credit facility, which matures on October 25, 2011, increased our borrowing capacity to \$600 million. This is our largest credit facility and had an outstanding balance of \$160 million at December 30, 2006. Interest on outstanding credit facility borrowings is based on LIBOR plus the applicable margin, which was 100 basis points at December 30, 2006. The credit facility is secured by substantially all of our U.S. assets.

The U.S. credit facility contains various covenants. The covenant for minimum net worth, defined as total shareholders' equity adjusted to maintain the amounts of accumulated other comprehensive loss at the level in existence as of September 30, 2006 is \$550 million. The covenant for minimum interest coverage ratio, defined as the ratio of EBITDA to interest expense for the most recent four quarters, is 3.0. The covenant for the maximum leverage ratio, defined as the ratio of net debt including letters of credit to EBITDA for the most recent four quarter, is 3.5. The covenant for maximum capital expenditures is \$85 million in 2007 and 2008 and \$90 million thereafter. EBITDA is defined in the loan agreement as (i) the sum of net income, interest expense, income taxes, depreciation expense, amortization expense, other non-cash items reducing consolidated net income and non-cash stock related expenses minus (ii) other non-cash items increasing consolidated net income. We are in compliance with all covenants.

We are required to obtain the consent of lenders of the U.S. credit facility before raising significant additional debt financing. In recent years, we have demonstrated our ability to secure consents to access debt markets. We have also been successful in accessing capital markets and have shown strong, consistent financial performance. We believe that we will be able to obtain additional debt or equity financing as needed.

At December 30, 2006, we had \$456 million of unused borrowing capacity, including \$429 million from the U.S. credit facility after considering standby letters of credit.

Total debt to capitalization was 33% at December 30, 2006 and 41% at December 31, 2005. The decrease in total debt to capitalization is due to strong earnings, the issuance of Class A common stock in 2006 and the improved pension funding status of our U.S. plan.

We believe that our cash on hand, cash flows from operations and available borrowings under short and long-term lines of credit will continue to be sufficient to meet our operating needs.

## **ECONOMIC CONDITIONS AND MARKET TRENDS**

### **Military Aerospace and Defense**

Approximately 40% of our 2006 sales related to global military defense or government-funded programs. Most of these sales were within Aircraft Controls and Space and Defense Controls.

The military aircraft market is dependent on military spending for development and production programs. Military spending is expected to remain strong in the near term. Production programs are typically long-term in nature, offering greater predictability as to capacity needs and future revenues. We maintain positions on numerous high priority programs, including the F-35 Joint Strike Fighter, F/A-18E/F Super Hornet and V-22 Osprey. These and other government programs can be reduced, delayed or terminated. The large installed base of our products leads to attractive aftermarket sales and service opportunities. Aftermarket revenues are expected to continue to grow, due to military retrofit programs and increased flight hours resulting from increased military activity.

The military and government space market is primarily dependent on the authorized levels of funding for satellite communications needs. We believe that long-term government spending on military satellites will continue to trend upwards as the military's need for improved intelligence gathering increases.

The tactical missile, missile defense and defense controls markets are dependent on many of the same market conditions as military aircraft, including overall military spending and program funding levels.

### **Industrial and Medical**

Approximately 40% of our 2006 sales were generated in industrial and medical markets. The industrial and medical markets we serve are influenced by several factors, including capital investment, product innovation, economic growth, cost-reduction efforts and technology upgrades. However, due to the high degree of sophistication of our products and the niche markets we serve, we believe we may be less susceptible to overall macro-economic industrial trends. Opportunities for growth include demand in China, particularly in power generation and steel manufacturing markets, advancements in medical technology, automotive manufacturers that are upgrading their metal forming, injection molding and material test capabilities, increasing demand for aircraft training simulators, and the need for precision controls on plastics injection molding machines to provide improved manufacturing efficiencies.

### **Commercial Aircraft**

Approximately 15% of our 2006 sales were on commercial aircraft programs. The commercial OEM aircraft market has historically exhibited cyclical swings and sensitivity to economic conditions. The aftermarket, which is driven by usage of the existing aircraft fleet, has proven to be more stable. Higher aircraft utilization rates result in the need for increased maintenance and spare parts and enhance aftermarket sales. Boeing and Airbus are both increasing production levels for new planes related to air traffic growth and further production increases are projected. We have contract coverage through 2012 with Boeing for the existing 7-series aircraft and are also developing flight control actuation systems for the 787, its next generation commercial aircraft. In the business jet market, our flight controls on a couple of newer jets are in early production.

### **Foreign Currencies**

We are affected by the movement of foreign currencies compared to the U.S. dollar, particularly in Industrial Controls. About one-third of our 2006 sales were denominated in foreign currencies including the euro and British pound. During the first three months of 2007, these foreign currencies strengthened against the U.S. dollar and the translation of the results of our foreign subsidiaries into U.S. dollars contributed \$7 million to the sales increase over the same period one year ago. During 2006, the U.S. dollar strengthened against these currencies and the translation of the results of our foreign subsidiaries into U.S. dollars reduced sales by \$9 million compared to 2005.

## CRITICAL ACCOUNTING POLICIES

There have been no changes in critical accounting policies in the current year from those disclosed in our 2006 Form 10-K.

### Cautionary Statement

Information included herein or incorporated by reference that does not consist of historical facts, including statements accompanied by or containing words such as “may,” “will,” “should,” “believes,” “expects,” “expected,” “intends,” “plans,” “projects,” “estimates,” “predicts,” “potential,” “outlook,” “forecast,” “anticipates,” “presume” and “assume,” are forward-looking statements. Such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and are subject to several factors, risks and uncertainties, the impact or occurrence of which could cause actual results to differ materially from the expected results described in the forward-looking statements. These important factors, risks and uncertainties include (i) fluctuations in general business cycles for commercial aircraft, military aircraft, space and defense products, industrial capital goods and medical devices, (ii) our dependence on government contracts that may not be fully funded or may be terminated, (iii) our dependence on certain major customers, such as The Boeing Company and Lockheed Martin, for a significant percentage of our sales, (iv) the possibility that the demand for our products may be reduced if we are unable to adapt to technological change, (v) intense competition which may require us to lower prices or offer more favorable terms of sale, (vi) our significant indebtedness which could limit our operational and financial flexibility, (vii) the possibility that new product and research and development efforts may not be successful which could reduce our sales and profits, (viii) increased cash funding requirements for pension plans, which could occur in future years if future plan results differ from assumptions used for our defined benefit pension plans, including returns on plan assets and discount rates, (ix) a write-off of all or part of our goodwill, which could adversely affect our operating results and net worth and cause us to violate covenants in our bank agreements, (x) the potential for substantial fines and penalties or suspension or debarment from future contracts in the event we do not comply with regulations relating to defense industry contracting, (xi) the potential for cost overruns on development jobs and fixed price contracts and the risk that actual results may differ from estimates used in contract accounting, (xii) the possibility that our subcontractors may fail to perform their contractual obligations, which may adversely affect our contract performance and our ability to obtain future business, (xiii) our ability to successfully identify and consummate acquisitions, and integrate the acquired businesses and the risks associated with acquisitions, including that the acquired businesses do not perform in accordance with our expectations, and that we assume unknown liabilities in connection with the acquired businesses for which we are not indemnified, (xiv) our dependence on our management team and key personnel, (xv) the possibility of a catastrophic loss of one or more of our manufacturing facilities, (xvi) the possibility that future terror attacks, war or other civil disturbances could negatively impact our business, (xvii) that our operations in foreign countries could expose us to political risks and adverse changes in local, legal, tax and regulatory schemes, (xviii) the possibility that government regulation could limit our ability to sell our products outside the United States, (xix) the impact of product liability claims related to our products used in applications where failure can result in significant property damage, injury or death and in damage to our reputation, (xx) the possibility that litigation may result unfavorably to us, (xxi) foreign currency fluctuations in those countries in which we do business and other risks associated with international operations and (xxii) the cost of compliance with environmental laws. The factors identified above are not exhaustive. New factors, risks and uncertainties may emerge from time to time that may affect the forward-looking statements made herein. Given these factors, risks and uncertainties, investors should not place undue reliance on forward-looking statements as predictive of future results. We disclaim any obligation to update the forward-looking statements made in this report.

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**Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

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Refer to the Company's Annual Report on Form 10-K for the year ended September 30, 2006 for a complete discussion of our market risk. There have been no material changes in the current year regarding this market risk information.

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**Item 4. Controls and Procedures.**

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- (a) Disclosure Controls and Procedures. Moog carried out an evaluation, under the supervision and with the participation of Company management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures are effective as of the end of the period covered by this report, to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is made known to them on a timely basis, and that these disclosure controls and procedures are effective to ensure such information is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms.
  
- (b) Changes in Internal Control over Financial Reporting. There have been no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II OTHER INFORMATION****Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

(c) The following table summarizes our purchases of our common stock for the quarter ended December 30, 2006.

Period	(a) Total Number of Shares Purchased (1)(2)	(b) Average Priced Paid Per Share	(c) Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs (2)	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs (2)
October 1 - October 31, 2006	-	\$ -	N/A	N/A
November 1 - 30, 2006	16,303	\$ 37.66	N/A	N/A
December 1 - 30, 2006	-	\$ -	N/A	N/A
Total	16,303	\$ 37.66	N/A	N/A

- (1) The purchases during November represent the purchase of 7,608 shares of Class B common stock from the Moog family at \$36.24 per share.
- (2) In connection with the exercise and vesting of stock options, we accept, from time to time, delivery of shares to pay the exercise price of employee stock options. We do not otherwise have any plan or program to purchase our common stock. During November, we accepted the delivery of 8,695 shares at \$38.91 per share in connection with the exercise of stock options.

**Item 6. Exhibits**

(a) Exhibits

- 3.1 Restated Certificate of Incorporation, as amended.
- 31.1 Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**SIGNATURES**

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

Moog Inc.

\_\_\_\_\_  
Registrant)

Date: February 8, 2007

By /s/Robert T. Brady  
Robert T. Brady  
Chairman  
Chief Executive Officer  
(Principal Executive Officer)

Date: February 8, 2007

By /s/Robert R. Banta  
Robert R. Banta  
Executive Vice President  
Chief Financial Officer  
(Principal Financial Officer)

Date: February 8, 2007

By /s/Donald R. Fishback  
Donald R. Fishback  
Controller  
(Principal Accounting Officer)

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**Exhibit Index**

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**Exhibits**   **Description**

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- 3.1 Restated Certificate of Incorporation, as amended.
- 31.1 Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**CERTIFICATE OF AMENDMENT**  
**OF**  
**CERTIFICATE OF INCORPORATION**  
**OF**  
**MOOG INC.**

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Under Section 805 of the  
Business Corporation Law

The undersigned, John B. Drenning, being the Secretary of Moog Inc., does hereby certify:

1. The name of the corporation is Moog Inc., a New York corporation (the “Corporation”).
2. The Certificate of Incorporation of the Corporation was filed by the Department of State of the State of New York on August 1, 1951. The Corporation was originally incorporated under the name Moog Valve Co. Inc.
3. Article THIRD of the Certificate of Incorporation of the Corporation is hereby amended to increase the number of shares from 70,000,000 common shares having a par value of \$1.00 per share to 130,000,000 common shares having a par value of \$1.00 per share.

To effect such amendment, Article THIRD of the Certificate of Incorporation is hereby amended to read in its entirety as follows:

“THIRD: 3(a) The aggregate number of shares which the Corporation shall have the authority to issue is 130,000,000 shares, of which 100,000,000 shares, of the par value of \$1.00 per share, shall be designated as Class A Common Shares and 20,000,000 shares, of the par value of \$1.00 per share, shall be designated as Class B Common Shares, and 10,000,000 shares, of the par value of \$1.00 per share, shall be designated as Preferred Shares, which Preferred Shares shall be issuable in one or more series.”

4. The foregoing amendment of the Certificate of Incorporation of the Corporation was authorized by the vote of the board of directors of the Corporation at a meeting held on November 28, 2006, followed by approval from a majority of the outstanding shares

entitled to vote thereon at a meeting of the shareholders of the Corporation held on January 10, 2007.

IN WITNESS WHEREOF, the undersigned has subscribed this Certificate and affirmed it as true under penalties of perjury this 19<sup>th</sup> day of January, 2007.

MOOG INC.

By: /s/ John B. Drenning  
John B. Drenning, Secretary

**CERTIFICATE OF AMENDMENT**  
**OF**  
**CERTIFICATE OF INCORPORATION**  
**OF**  
**MOOG INC.**

---

Under Section 805 of the  
Business Corporation Law

The undersigned, John B. Drenning, being the Secretary of MOOG INC., does hereby certify:

1. The name of the corporation is MOOG INC., a New York corporation (the "Corporation"). The Corporation was originally formed under the name Moog Valve Co. Inc.
2. The Certificate of Incorporation of the Corporation was filed by the Department of State of the State of New York on August 1, 1951.
3. The first paragraph of Section (a) of Paragraph THIRD of the Certificate of Incorporation of the Corporation is hereby amended to increase the authorized number of Class A Common Shares of the Corporation from 30,000,000 Class A Common Shares of a par value of \$1.00 per share to 50,000,000 Class A Common Shares of a par value of \$1.00 per share.

To effect such amendment, the first paragraph of Section (a) of Paragraph THIRD of the Certificate of Incorporation is hereby amended to read in its entirety as follows:

“THIRD: (a) The aggregate number of shares which the Corporation shall have authority to issue is 70,000,000 shares, of which 50,000,000 shares, of the par value of \$1.00 per share shall be designated as Class A Common Shares and 10,000,000 shares of par value of \$1.00 per share shall be designated as Class B Common Shares, and 10,000,000 shares of par value of \$1.00 per share shall be designated as Preferred Shares, which Preferred Shares shall be issuable in one or more series.”

4. The foregoing amendment of the Certificate of Incorporation of the Corporation was authorized by the vote of the board of directors of the Corporation on November 30, 2004, followed by approval from a majority of the outstanding shares entitled to vote thereon at a meeting of the shareholders of the Corporation held on January 12, 2005.

IN WITNESS WHEREOF, the undersigned has subscribed this Certificate and affirmed it as true under penalties of perjury this 18th day of January, 2005.

MOOG INC.

By: /s/ John B. Drenning  
John B. Drenning, Secretary

**CERTIFICATE OF AMENDMENT**  
**OF**  
**CERTIFICATE OF INCORPORATION**  
**OF**  
**MOOG INC.**

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Under Section 805 of the  
Business Corporation Law

The undersigned, John B. Drenning, being the Secretary of MOOG INC., does hereby certify:

1. The name of the corporation is MOOG INC., a New York corporation (the "Corporation"). The Corporation was originally formed under the name Moog Valve Co. Inc.
2. The Certificate of Incorporation of the Corporation was filed by the Department of State of the State of New York on August 1, 1951.
3. The first sentence of Paragraph SIXTH of the Certificate of Incorporation of the Corporation is hereby amended to increase the maximum permitted number of directors of the Corporation from nine to fifteen.

To effect such amendment, the first sentence of Paragraph SIXTH of the Certificate of Incorporation is hereby amended to read in its entirety as follows:

"SIXTH: The number of directors shall be not less than three nor more than fifteen."

4. The foregoing amendment of the Certificate of Incorporation of the Corporation was authorized by the vote of the board of directors of the Corporation on December 2, 2003, followed by approval from a majority of the outstanding shares entitled to vote thereon at a meeting of the shareholders of the Corporation held on January 14, 2004.

IN WITNESS WHEREOF, the undersigned has subscribed this Certificate and affirmed it as true under penalties of perjury this 20th day of January, 2004.

MOOG INC.

By: /s/ John B. Drenning  
John B. Drenning, Secretary

**RESTATED CERTIFICATE OF INCORPORATION**  
**OF**  
**MOOG INC.**

FIRST: The name of the Corporation is MOOG INC.

SECOND: The purposes for which it is to be formed are:

(a) To engage in the manufacture, building, constructing and servicing of automatic control equipment, valves, machinery, instruments, electronic equipment, radar equipment, accessories and other products similar to or of the same general nature, including all other parts incidental or necessary thereto, together with any and all other metals, woods, chemicals, ores, plastics and other similar or kindred products that may be incidental or a part thereof.

(b) To buy, sell and deal in generally products of metal, wood, chemicals, ores, plastics and derivative thereof and to handle generally automatic control equipment, valves, machinery, instruments, radar equipment, electronic equipment and other accessories.

(c) To handle the sale, distribution, promotion and advertising of manufactured products generally and to act as brokers, agents and factors for other persons, firms or corporations in such selling, advertising and handling of the same and to do any and all acts necessary or incidental thereto or associated therewith.

(d) To apply for, obtain or otherwise acquire trademarks, trade names, copyrights, letters patent, licenses therefor or thereunder on any and all inventions and processes.

(e) To acquire and pay for in cash, stocks and bonds of this Corporation or otherwise, the good will, rights, assets and property, and to undertake or assume the whole or any

part of the obligations or liabilities, of any person, firm associations, partnership or corporation engaged in the same or any similar business.

(f) To purchase, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of, shares of the capital stock or any bonds, securities or evidences of indebtedness created by any other corporation or corporations organized under the laws of this state or any other state, country, nation or government, and while the owner thereof, to exercise all the rights, powers and privileges of ownership.

(g) To issue bonds, debentures or obligations of this Corporation from time to time, for any use of the objects or purposes of this Corporation, and to secure the same by mortgage, pledge, deed of trust, or otherwise.

(h) To purchase, hold, sell and transfer the shares of its own capital stock; provided it shall not use its own shares of capital stock when such use would cause any impairment of its capital; and provided further that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly.

(i) To buy, sell, rent, relet and exchange real property, improved or unimproved, to build, construct, improve and alter buildings or structures thereon, and to mortgage and develop real property generally, to purchase, manufacture, acquire, hold, own, mortgage, pledge, lease, sell, assign and transfer, to invest, trade, deal in and with goods, wares and merchandise and property of every kind and description and to carry on any of the above businesses or any other business connected therewith, whenever the same may be permitted by law.

(j) In general to carry on any other similar or kindred business in connection with the foregoing and to have and exercise all the powers conferred by the laws of New York

upon corporations formed under the act hereinbefore referred to, and to do any and all things hereinbefore set forth to the same extent as natural persons might or could do.

The foregoing and following clauses shall be construed as objects and powers in furtherance and not in limitation of the general powers conferred by the laws of the State of New York; and it is hereby expressly provided that the foregoing and following enumeration of specific powers shall not be held to limit or restrict in any manner the powers of the corporation, and that this corporation may do all and everything necessary, suitable or proper for the accomplishment of any of the purposes or objects hereinbefore enumerated either alone or in association with other corporations, firms or individuals, to the same extent and as individuals might or could do as principals, agents, contractors, or otherwise.

THIRD: (a) The aggregate number of shares which the Corporation shall have the authority to issue is 50,000,000 shares, of which 30,000,000 shares, of the par value of \$1.00 per share shall be designated as Class A Common Shares and 10,000,000 shares of par value of \$1.00 per share shall be designated as Class B Common Shares, and 10,000,000 shares of par value of \$1.00 per share shall be designated as Preferred Shares, which Preferred Shares shall be issuable in one or more series.

Two Hundred Thousand authorized Preferred Shares of the par value of \$1.00 each, shall be issued in and as a series to be designated "9% Cumulative, Convertible, Exchangeable, Preferred Shares, Series A, \$1.00 par value". Said series is hereinafter called "Series A Preferred Stock". Two Hundred Thousand authorized Preferred Shares of the par value of \$1.00 each, shall be issued in and as a series to be designated "9% Cumulative, Convertible, Exchangeable, Preferred Shares, Series B, \$1.00 par value". Said series is hereinafter called "Series B Preferred Stock".

The term "Preferred Shares" as used herein shall include all 10,000,000 of the Preferred Shares, \$1.00 par value, authorized by the Certificate of Incorporation of the Corporation, of which "Series A Preferred Stock" is the first series and "Series B Preferred Stock" is the second series.

(b) No holder of shares of the Corporation of any class now or hereafter authorized shall have any preferential or preemptive right to subscribe for, purchase or receive any shares of the Corporation of any class now or hereafter authorized, or any options or warrants for such shares, or any securities convertible into or exchangeable for such shares, which at any time may be issued, sold or offered for sale by the Corporation, except as specifically provided in this Article Third.

(c) The Class A Common Shares and the Class B Common Shares shall be identical in all respects and shall have equal voting rights and privileges, except as otherwise provided in this Article Third.

(d) The relative rights, preferences and limitations of the Class A Common Shares and of the Class B Common Shares are as follows:

(1) Dividends. Subject to subparagraph (2), whenever a dividend is paid to the holders of Class B Common Shares, the Corporation shall also pay to the holders of Class A Common Shares a dividend per share at least equal to the dividend per share paid to the holders of the Class B Common Shares. The Corporation may pay dividends to holders of Class A Common Shares in excess of dividends paid, or without paying dividends, to holders of Class B Common Shares.

(2) Share Distributions. If at any time a distribution is to be paid in Class B Common Shares of Class A Common Shares (a "share distribution"), such share distribution may be declared and paid only as follows:

(A) So long as no Class A Common Shares have been issued or are outstanding, Class A Common Shares may be paid to holders of Class B Common Shares; or

(B) Class A Common Shares may be paid to holders of Class A Common Shares and Class B Common Shares may be paid to holders of Class B Common Shares.

(C) Whenever a share distribution is paid, the same number of shares shall be paid in respect of each outstanding Class A or Class B Common Share. The Corporation shall not combine or subdivide shares of either of such classes without at the same time making a proportionate combination or subdivision of shares of the other of such classes.

(3) Voting. The holders of Class B Common Shares shall have exclusive voting power prior to the issuance of Class A Common Shares and thereafter voting power shall be divided between such classes as follows:

(A) With respect to the election of directors, holders of Class A Common Shares voting as a separate class shall be entitled to elect that number of directors which constitutes 25% of the authorized number of members of the Board of Directors and, if such 25% is not a whole number, then the holders of Class A Common Shares shall be entitled to elect the nearest higher whole number of directors that is at least 25% of such membership. Holders of Class B

Common Shares voting as a separate class shall be entitled to elect the remaining directors.

(B) The holders of Class A Common Shares shall be entitled to vote as a separate class on the removal, with or without cause, of any director elected by the holders of Class A Common Shares and the holders of Class B Common Shares shall be entitled to vote as a separate class on the removal, with or without cause, of any director elected by the holders of Class B Common Shares.

(C) The holders of the Class A Common Shares and the holders of Class B Common Shares shall be entitled to vote as separate classes on such other matters as may be required by law or this Certificate of Incorporation to be submitted to such holders voting as separate classes.

(D) Any vacancy in the office of a director elected by the holders of the Class A Common Shares may be filled by a vote of such holders voting as a separate class and any vacancy in the office of a director elected by the holders of the Class B Common Shares may be filled by a vote of such holders voting as a separate class or, in the absence of a shareholder vote, in the case of a vacancy in the office of a director elected by either class, such vacancy may be filled by the remaining directors as provided in the By-laws. Any director elected by the Board of Directors to fill a vacancy shall serve until the next Annual Meeting of Shareholders and until his or her successor has been elected and has qualified. If permitted by the By-laws, the Board of Directors may increase the number of directors and any vacancy so created may be filled by the Board of

Directors, provided that, so long as the holders of Class A Common Shares have the rights provided in paragraphs (d)(3)(A) and (d)(3)(D) of this Article Third in respect of the last preceding Annual Meeting of Shareholders, the Board of Directors may be so enlarged by the Board of Directors only to the extent that at least 25% of the enlarged Board consists of Directors elected by the holders of the Class A Common Shares or by persons appointed to fill vacancies created by the death, resignation or removal of persons elected by the holders of the Class A Common Shares.

(E) The holders of Class A and Class B Common Shares shall in all matters not specified in Sections (A), (B), (C) and (D) of this subparagraph (3) vote together as a single class; provided that the holders of Class A Common Shares shall have one-tenth vote per share and the holders of Class B Common Shares shall have one vote per share.

(F) The Class A Common Shares will not have the rights to elect directors set forth in paragraphs (d)(3)(A) and (d)(3)(D) of this Article Third, if, on the record date for any shareholder meeting at which directors are to be elected, the number of issued and outstanding Class A Common Shares is less than 10% of the aggregate number of issued and outstanding Class A Common Shares and Class B Common Shares. In such case, all directors to be elected at such meeting shall be elected by holders of Class A Common Shares and Class B Common Shares voting together as a single class, provided that, with respect to said election, the holders of Class A Common Shares shall have one-tenth vote per share and holders of Class B Common Shares shall have one vote per share.

(G) Notwithstanding anything in this subparagraph (3) to the contrary, the holders of Class A Common Shares shall have exclusive voting power on all matters, at any time when no Class B Common Shares are issued and outstanding.

(4) Conversion. Each holder of record of Class B Common Shares may at any time or from time to time, in such holder's sole discretion and at such holder's option, convert any whole number or all of such holder's Class B Common Shares into fully paid and non-assessable Class A Common Shares at the rate (subject to adjustments as hereinafter provided) of one Class A Common Share for each Class B Common Share surrendered for conversion. Any such conversion may be effected by any holder of Class B Common Shares surrendering such holder's certificate or certificates for the Class B Common Shares to be converted, duly endorsed, at the office of the Corporation or any transfer agent for the Class B Common Shares, together with a written notice to the Corporation at such office that such holder elects to convert all or a specified number of Class B Common Shares and stating the name or names in which such holder desires the certificate or certificates for such Class A Common Shares to be issued. Promptly thereafter, the Corporation shall issue and deliver to such holder or such holder's nominee or nominees, a certificate or certificates for the number of Class A Common Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made at the close of business at the date of such surrender and the person or persons entitled to receive the Class A Common Shares issuable on such conversion shall be treated for all

purposes as the record holder or holders of such Class A Common Shares on that date.

No fraction of a Class A Common Share shall be issued on conversion of any Class B Common Share but, in lieu thereof, the corporation shall pay in cash therefor the pro rata fair market value of any such fraction. Such fair market value shall be based, in the case of publicly traded securities, on the last sale price for such securities on the business day next prior to the date such fair market value is to be determined (or, in the event no sale is made on that day, the average of the closing bid and asked prices for that day on the principal stock exchange on which Class A Common Shares are traded or, if the Class A Common Shares are not then listed on any national securities exchange, the average of the closing bid and asked prices for the day quoted by the NASDAQ System) or, in the case of other property, the fair market value on such day determined by a qualified independent appraiser expert in evaluating such property and appointed by the Board of Directors of the Corporation. Any such determination of fair market value shall be final and binding on the corporation and on each holder of Class B Common Shares or Class A Common Shares.

(e) The Preferred Shares may be issued in series, and each series shall be so designated as to distinguish the shares thereof from the shares of all other series. All Preferred Shares shall be identical except as to the relative rights, preferences and limitations which are to be fixed as follows:

(1) Issuance in Series. Subject to any limitation prescribed by law, the number of shares in each series of preferred shares and the designation and

relative rights, preferences and limitations of each series shall be fixed by the Board of Directors of the corporation, provided that before any shares of a series of Preferred Shares are issued, a Certificate of Amendment of this Certificate of Incorporation shall be filed as required by Section 805 of the Business Corporation Law. The Board of Directors is specifically empowered to determine with respect to each series of Preferred Shares:

(A) The dividend rights of such shares, including whether the dividends to which such shares are entitled shall be cumulative or noncumulative and whether dividends on such shares shall have any preference over dividends payable on any other class or classes of stock;

(B) Whether such shares shall be convertible into shares of any class of common stock or, to the extent permitted by law, into shares of another series of preferred shares and, if so, upon what terms and conditions;

(C) Whether such shares shall have voting rights in addition to those provided by law and, if so, to what extent and upon what terms and conditions;

(D) Whether such shares shall be subject to redemption by the corporation and, if so, upon what terms and conditions;

(E) Whether, if such shares are to be redeemable, a sinking fund or other fund shall be established for the purchase or redemption thereof and, if so, upon what terms and conditions; and

(F) The rights of such shares in the event of the voluntary or involuntary liquidation, dissolution, or winding up of the corporation, including

whether such shares shall have any preferential claim against the assets of the corporation and if so, to what extent.

(2) Voting. Except as otherwise provided by law or by the action of the Board of Directors in granting voting rights to any series of Preferred Shares, the entire voting power for the election of Directors and for all other purposes shall be vested exclusively in the shares of common stock. Each share of common stock shall have the voting rights provided in paragraph (d)(3).

(f) The designations, relative rights, preferences, and limitations of all shares of the Series A Preferred Stock, insofar as not already fixed by the Certificate of Incorporation, shall, as fixed by the Corporation's Board of Directors in the exercise of authority conferred by the Certificate of Incorporation, and as permitted by Section 502 of the Business Corporation Law, be as follows:

(1) Dividends. The holders of shares of the Series A Preferred Stock shall be entitled to receive quarterly cumulative dividends payable in cash in an amount per share equal to 9% per annum of the par value of such Shares. The dates on which dividends shall be payable, if declared, shall be January 1, April 1, July 1, and October 1 of each year, and dividends on the Series A Preferred Stock shall be cumulative from the date of issue of such shares.

(2) Voting Rights. Holders of the Series A Preferred Stock shall be entitled to vote together with the common stock, without distinction as to class, on any proposal for the termination of the Corporation's existence as an ongoing concern by reason of dissolution, liquidation, sale or mortgage of a substantial part of its assets, or a merger, consolidation or similar business combination

where holders of Class A and Class B Common Stock are entitled to vote, and shall have one-tenth vote per share, subject to adjustment to reflect the subdivision or combination of or any stock dividend on the outstanding shares of Class A Common Stock. Holders of Series A Preferred Stock shall have the right to vote as a class in those situations where such voting rights arise under the relevant provisions of the Business Corporation Law.

In the event that the Company fails to earn the dividend payable on the Series A Preferred Stock for eight consecutive quarters, the Holders of the Series A Preferred Stock, voting as a class, shall have the right to elect two directors who would otherwise be elected by the Holders of the Class B Common Stock.

(3) Redemption. The Series A Preferred Stock shall not be redeemable.

(4) Conversion. Holders of shares of Series A Preferred Stock shall have the right at their option, to convert such shares of Preferred stock into shares of Class A Common Stock by delivering to the principal office of Moog Inc., Attention: Secretary, an irrevocable notice of conversion together with a certificate evidencing the shares of Series A Preferred Stock to which the notice of conversion relates.

(A) Shares of the Series A Preferred Stock shall be convertible into shares of Class A Common Stock, on the basis of the following calculation:

(i) The "Conversion Ratio" is defined as: the ratio of \$1.00 to the closing market price of one share of Class A Common Stock

on the date of issue of shares of Series A Preferred Stock times a factor of 0.88.

(ii) The Conversion Ratio multiplied by the number of shares of Series A Preferred Stock surrendered for conversion equals that number of full shares of Class A Common Stock which will be issued. No fractional shares will be issued and no cash payments in lieu of fractional shares will be made.

(iii) The Conversion Ratio shall be subject to equitable adjustment to reflect the subdivision or combination of, or any stock or property dividend on, or dividend in kind on, the outstanding shares of Class A Common Stock.

(5) Exchangeability. All shares of Series A Preferred Stock which are outstanding on January 1, 2004, shall be deemed to have been exchanged automatically and without further action on the part of the holder of such stock on that day into that number of full shares of Class A Common Stock, which would have been issued upon conversion had such Series A Preferred Stock been converted on that day pursuant to notice of conversion in the manner provided in subparagraph (4) above.

(6) Consolidation, Merger. In the event of a consolidation, merger or other transaction in which the shares of Class B Common Stock are exchanged for or converted into other securities, cash or any other property, the shares of the Series A Preferred Stock will be similarly exchanged or converted but they shall for such purpose be valued at the value provided in the last sentence of subparagraph (7).

(7) Liquidation Rights. Upon any liquidation, dissolution, or winding up of the corporation, whether voluntary or involuntary, the holders of any Series A Preferred Stock will be entitled to receive, before any distribution is made to the holders of shares of stock ranking junior to the Series A Preferred Shares or any distribution (other than a ratable distribution), is made to the holders of stock ranking on a parity with the Series A Preferred Shares, the greater of (A) the par value of the shares of Series A Preferred Stock, or (B) an amount equal to the value established as provided in the following paragraph, plus accrued dividends.

On the date as of which it becomes necessary to fix a value for Series A Preferred Stock pursuant to this subparagraph (7) or the preceding subparagraph (6), the value of one share of Series A Preferred Stock shall be deemed to be equal to the "Current Average Price" of one share of Class A Common Stock (the average of the closing market price of the Class A Common Stock on the last day of each of the four calendar quarters immediately preceding such valuation date), multiplied by the "Conversion Ratio".

(8) Certain Restrictions. Whenever dividends or distributions on shares of the Series A Preferred Stock are in arrears, the Company shall not have the right to declare or pay dividends or other distributions on, redeem or purchase any shares of stock ranking junior to or at a parity with the Series A Preferred Stock unless simultaneously therewith, such arrearages are paid in full.

(g) The designations, relative rights, preferences, and limitations of all shares of the Series B Preferred Stock, insofar as not already fixed by the Certificate of Incorporation, shall, as fixed by the Corporation's Board of Directors in the exercise of authority conferred by

the Certificate of Incorporation, and as permitted by Section 502 of the Business Corporation Law, be as follows:

(1) Dividends. The holders of shares of the Series B Preferred Stock shall be entitled to receive quarterly cumulative dividends payable in cash in an amount per share equal to 9% per annum of the par value of such Shares. The dates on which dividends shall be payable, if declared, shall be January 1, April 1, July 1, and October 1 of each year, and dividends on the Series B Preferred Stock shall be cumulative from the date of issue of such shares.

(2) Voting Rights. Holders of the Series B Preferred Stock shall be entitled to vote together with the common stock, without distinction as to class, on any proposal for the termination of the Corporation's existence as an ongoing concern by reason of dissolution, liquidation, sale or mortgage of a substantial part of its assets, or a merger, consolidation or similar business combination where holders of Class A and Class B Common Stock are entitled to vote, and shall have one vote per share, subject to adjustment to reflect the subdivision or combination of or any stock dividend on the outstanding shares of Class A Common Stock. Holders of Series B Preferred Stock shall have the right to vote as a class in those situations where such voting rights arise under the relevant provisions of the Business Corporation Law.

In the event that the Company fails to earn the dividend payable on the Series B Preferred Stock for eight consecutive quarters, the Holders of the Series B Preferred Stock, voting as a class, shall have the right to elect two directors who would otherwise be elected by the Holders of the Class B Common Stock.

(3) Redemption. The Series B Preferred Stock shall not be redeemable.

(4) Conversion. Holders of shares of Series B Preferred Stock shall have the right at their option, to convert such shares of Preferred stock into shares of Class A Common Stock by delivering to the principal office of Moog Inc., Attention: Secretary, an irrevocable notice of conversion together with a certificate evidencing the shares of Series B Preferred Stock to which the notice of conversion relates.

(A) Shares of the Series B Preferred Stock shall be convertible into shares of Class A Common Stock, on the basis of the following calculation:

(i) The "Conversion Ratio" is defined as: the ratio of \$1.00 to the closing market price of one share of Class A Common Stock on the date of issue of shares of Series B Preferred Stock times a factor of 0.88.

(ii) The Conversion Ratio multiplied by the number of shares of Series B Preferred Stock surrendered for conversion equals that number of full shares of Class A Common Stock which will be issued. No fractional shares will be issued and no cash payments in lieu of fractional shares will be made.

(iii) The Conversion Ratio shall be subject to equitable adjustment to reflect the subdivision or combination of, or any stock or property dividend on, or dividend in kind on, the outstanding shares of Class A Common Stock.

(5) Exchangeability. All shares of Series B Preferred Stock which are outstanding on January 1, 2004, shall be deemed to have been exchanged automatically and without further action on the part of the holder of such stock on that day into that number of full shares of Class A Common Stock, which would have been issued upon conversion had such Series B Preferred Stock been converted on that day pursuant to notice of conversion in the manner provided in subparagraph (4) above.

(6) Consolidation, Merger. In the event of a consolidation, merger or other transaction in which the shares of Class B Common Stock are exchanged for or converted into other securities, cash or any other property, the shares of the Series B Preferred Stock will be similarly exchanged or converted but they shall for such purpose be valued at the value provided in the last sentence of subparagraph (7).

(7) Liquidation Rights. Upon any liquidation, dissolution, or winding up of the corporation, whether voluntary or involuntary, the holders of any Series B Preferred Stock will be entitled to receive, before any distribution is made to the holders of shares of stock ranking junior to the Series B Preferred Shares or any distribution (other than a ratable distribution), is made to the holders of stock ranking on a parity with the Series B Preferred Shares, the greater of (A) the par value of the shares of Series B Preferred Stock, or (B) an amount equal to the value established as provided in the following paragraph, plus accrued dividends.

On the date as of which it becomes necessary to fix a value for Series B Preferred Stock pursuant to this subparagraph (7) or the preceding subparagraph (6), the value of one share of Series B Preferred Stock shall be deemed to be equal

to the "Current Average Price" of one share of Class A Common Stock (the average of the closing market price of the Class A Common Stock on the last day of each of the four calendar quarters immediately preceding such valuation date), multiplied by the "Conversion Ratio".

(8) Certain Restrictions. Whenever dividends or distributions on shares of the Series B Preferred Stock are in arrears, the Company shall not have the right to declare or pay dividends or other distributions on, redeem or purchase any shares of stock ranking junior to or at a parity with the Series B Preferred Stock unless simultaneously therewith, such arrearages are paid in full.

(h) No Shareholder shall be entitled as of right to purchase or subscribe for any part of any unissued stock or any additional stock to be issued by reason of any increase in the authorized capital stock of the corporation or the issuance of bonds, certificates of indebtedness, debentures, or other securities convertible into stock of the Corporation, but such unissued stock or such additional stock or options to purchase stock may be issued and disposed of pursuant to resolution of the Board of Directors to such persons, firms, corporations or associations as may be deemed advisable by the Board of Directors in the exercise of its discretion.

FOURTH: The office of the Corporation is to be located in the Town of Elma, County of Erie, and State of New York. The address within the State of New York to which the Secretary of State shall mail a copy of process in any action or proceeding against the Corporation which may be served upon him is Seneca Street and Jamison Road, East Aurora, New York.

FIFTH: The duration of the corporation is to be perpetual.

SIXTH: The number of directors shall be not less than three nor more than nine.

The directors of the corporation need not be stockholders.

The Board of Directors shall have power to hold its meetings for all purposes outside of the State of New York at such places as, from time to time, may be designated by the By-Laws or by its resolution.

No transaction entered into by the Corporation shall be affected by the fact that the directors of the Corporation, or any of them, were personally interested in it; and every director of the Corporation is hereby relieved from any disability which might otherwise prevent his contracting with the Corporation for the benefit of himself, or of any firm, association or corporation in which he may be anywise interested. No director shall be disqualified from voting or acting on behalf of the Corporation in contracting with any other company in which he may be director, officer or stockholder, or may have an interest.

SEVENTH: The Secretary of State is designated as the agent of the Corporation upon whom process in any action or proceeding against it may be served.

EIGHTH: To the fullest extent permitted by applicable law, as such law now exists or may hereafter be amended:

(a) A Director of the Corporation shall not be personally liable to the Corporation or any of its Shareholders for damage for any breach of duty in such capacity, provided that the foregoing provision shall not eliminate or limit:

1. The liability of any Director if a judgment or other final adjudication adverse to that Director establishes that the acts of omissions were (A) in bad faith or involved intentional misconduct or a knowing violation of law or (B) that the Director personally gained, in fact, a financial profit or other advantage to which

he was not legally entitled or (C) that the acts violated Section 719 of the New York Business Corporation Law.

2. The liability of any Director for any act or omission prior to the adoption of the provisions set forth in this Article.

(b) A Director of the Corporation shall be indemnified by the Corporation against any liabilities incurred in the capacity of Director as may be provided by written agreement with the Corporation.

8. The restatement of the Certificate of Incorporation, as amended, was authorized by majority vote of the Board of Directors, at a meeting duly called and held on October 4, 1988, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, we do execute and subscribe this certificate and do affirm the foregoing as true under the penalties of perjury this 13<sup>th</sup> day of March, 1991.

/s/ Robert T. Brady  
ROBERT T. BRADY, President

/s/ John B. Drenning  
JOHN B. DRENNING, Secretary



**Exhibit 31.1**

**Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Robert T. Brady, Chairman and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Moog Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 registrant's board of directors (or persons performing 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 February 8, 2007

/s/ Robert T. Brady  
Robert T. Brady  
Chief Executive Officer

**Exhibit 31.2**

**Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Robert R. Banta, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Moog Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 registrant's board of directors (or persons performing 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 February 8, 2007

/s/ Robert R. Banta  
Robert R. Banta  
Chief Financial Officer

**Exhibit 32.1**

**Certification pursuant to  
18 U.S.C. Section 1350,  
as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of Moog Inc. (the "Company") hereby certify that:

The Company's Quarterly Report on Form 10-Q for the quarter ended December 30, 2006 fully complies with the requirements of section 13(a) or 15(d) of the Securities and Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 8, 2007

/s/ Robert T. Brady  
Robert T. Brady  
Chief Executive Officer

/s/ Robert R. Banta  
Robert R. Banta  
Chief Financial Officer

This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by the Company into such filing.