

48%
AEROSPACE

100%
WOODWARD

52%
ENERGY



100% CONTROL SOLUTIONS

FOR AEROSPACE AND ENERGY



*Tom Gendron, Chairman and Chief Executive Officer
Bob Weber, Vice Chairman, Chief Financial Officer and Treasurer*

WOODWARD...**ALWAYS INNOVATING**

DEAR SHAREHOLDERS,

Your company finished the year strongly, delivering a record year in an uncertain economic climate. We continued to perform on important new and future product launches that represent tremendous long-term growth and market share gains for us in both our Aerospace and Energy markets.

In 2012, we:

- Increased sales by 9% to almost \$1.9 billion,
- Increased earnings 7% to \$142 million,
- Increased our investments in research and development by almost \$30 million to 7.7% of sales, and
- Invested significantly in improving our manufacturing technology, capacity, and productivity.

LEADING PERFORMANCE

We are focused on delivering unmatched performance in terms of quality, delivery and customer satisfaction—your management team is committed to Leading Performance. Our awards of significant new content on the GE/Snecma CFM LEAP, Pratt & Whitney PurePower®, Snecma Silvercrest and GE Passport 20 aircraft engine platforms places us firmly in the top tier of our market segment.

We have significantly increased our implementation of Lean principles in all of our manufacturing facilities and continue to drive waste out of all of our Key Business Processes. Efficient delivery of world-class performance, beginning with basic research through product launch and service, is critical to maintaining our relationships with the world's strongest players in both Aerospace and Energy.

100% CONTROL SOLUTIONS

We announced a significant reorganization of our electronics businesses to drive a closer strategic linkage with our customers and also to provide a more cohesive focus on the challenging renewable energy market.

Our financial model is sound. The investments made in prior years to earn the reward of larger system content on more platforms now provides the resource base to support our current investments. We will continue to grow our top line, our profitability, and our operating cash flow as we go forward.

PRODUCT LIFE CYCLE

The strength of our customer relationships has always been the foundation of Woodward's success. We remain focused on all aspects of the Product Life Cycle—from our strategies for areas of growth to decisions regarding resource allocation and our global capabilities to provide world-class service to both our Aerospace and Energy customers.

We are driving continuous improvement in all aspects of our businesses, of course in our products and services, but equally important are our administrative functions. Woodward is *Always Innovating for a Better Future*.

LEADERSHIP

Your leadership team has grown in experience and capability. We have added important new talent with new perspectives and approaches. We have developed our leaders on a global basis to be prepared to meet the increasing challenges of our dynamic markets. I am thankful to them for their efforts and dedication.

I also want to thank our Board of Directors for their leadership, valuable advice, and guidance to our management team.



Thomas A. Gendron

Chairman and Chief Executive Officer

FOR AEROSPACE AND ENERGY



INNOVATION IN AEROSPACE



Woodward is committed to its customers for the life of the program, from concept through development, to production and field support. Customers choose our aerospace control systems because we bring solutions and technologies that solve their most complex challenges.

AEROSPACE LIFE CYCLE

INNOVATION

We invest in advanced control system solutions to address our Customers' most challenging problems. By aligning our technology road maps with those of our Customers, we partner with them to win in the marketplace—with solutions that reduce cost and weight, improve fuel efficiency and lower emissions.

CUSTOMER PARTNERING

Customer intimacy is enhanced by deep, long-term relationships. By truly understanding our Customers' problems, we are able to help them solve their technical, operational, and commercial challenges at the highest level.



NEW PRODUCT DEVELOPMENT

Delivering on the promise of new product and system solutions requires detailed system modeling, rigorous analytical tools and disciplined project management. State-of-the-art integrated system test facilities ensure the final product meets or exceeds requirements across the performance and environmental envelope.

PRODUCTION

The next-generation single aisle programs will reach historically high production rates. To meet our Customers' expectations for on-time delivery and quality, we are investing in state-of-the-art manufacturing technologies—adding capacity for growth, improving efficiency and quality, and lowering total cost.

SERVICES

To ensure continued safe and reliable performance, we deliver product support globally. We provide tailored service solutions to our Customer needs and have steadily grown our share on commercial platforms. Our revenue-producing fleet is growing at a faster rate than the total fleet. Service is a cornerstone to the aerospace value stream at Woodward.

INNOVATION IN ENERGY



We provide control solutions at all stages of the energy value stream. From resource extraction to power generation and its use, our control systems improve efficiency and lower emissions on a variety of critical infrastructure platforms around the globe.

ENERGY VALUE STREAM

EXTRACTION

Woodward products meet the complex demands of natural resource extraction. From a gas turbine/compressor control system on the North Sea, to a common rail fuel pump on a mining truck in South America, Woodward's products and systems contribute to the efficiency, safety, flexibility and reliability of the operation.

DISTRIBUTION

The efficient global distribution of energy is critical in today's world. Woodward provides solutions for increasing distribution efficiency and reliability for oil and gas, rail and marine applications. LNG tankers, for example, rely on Woodward for propulsion and power generation solutions.



PROCESSING

Refiners and producers of petrochemical products demand the safe, reliable and efficient control of energy. Woodward helps meet these demands with innovation and system solutions, enabling fuel flexibility, while enhancing safety, reliability and efficiency.

POWER GENERATION

Innovative Woodward solutions control and protect the production and distribution of electric power. Our solutions enable renewable energy and ensure the safe, efficient and clean operation of power generation equipment.

UTILIZATION

Where energy is converted to useful work, moving people and goods around the world, building our global infrastructure or other purposes, Woodward delivers control system technologies that reduce fuel costs, increase equipment up time and improve performance.

FLOW

Precise and dependable metering of fuel, oil, air, steam, and exhaust streams increases the efficiency and performance, and reduces the environmental emissions from engines and turbines. Woodward designs and provides highly innovative control systems to effectively pressurize, meter and distribute fuel, oil, air, steam, and exhaust streams across all essential engine functions while optimizing performance, weight, thermal management and cost.

AEROSPACE

- Main fuel pump, metering, actuators and air management for the CFM LEAP engine to be used on both the Boeing 737 MAX and Airbus A320neo commercial aircraft.
- Fuel controls for the U.S. military's largest rotorcraft fleets including the Apache and Black Hawk.
- Servo valves for flow, control functions in commercial and military aerospace engines.

ENERGY

- Sonic Flo™ metering valves reduce the total installed cost of fuel delivery systems on industrial gas turbines, with precision and reliability.
- Common rail fuel pumps increase the efficiency of diesel engines used in marine, electric power, locomotive and mining equipment applications, while achieving low emissions.
- Woodward's TecJet™ product line provides precise fuel control for bio-fuels and natural gas, as well as enabling the conversion of diesel engines to dual fuel.



100%

COMBUSTION

Designing and manufacturing innovative and sophisticated combustion components is a critical aspect of power generation systems. Quality combustion processes are key to delivering higher efficiency, lower environmental emissions and noise reduction.

AEROSPACE

- Fuel nozzles for Pratt & Whitney's PurePower® engine family enables efficient fuel consumption.
- Turbine engine manifolds and afterburners on major military programs ensure an optimal mix of durability, life cycle cost and mission performance.
- Major research programs designed to reduce future turbine engine fuel consumption and overall emissions by 50% and 75%, respectively, by the year 2020.

ENERGY

- High-energy ignition systems and spark plugs reduce the total cost of ownership and operation of natural gas and bio-fueled engines.
- High-pressure fuel injectors increase the efficiency of diesel engines used in marine, locomotive, electric power generation and mining equipment, while meeting the next tier of emissions regulations.
- Woodward fuel nozzles are instrumental to industrial gas turbines achieving world-class energy efficiencies and emissions.

ACTUATION

Woodward hydraulic, pneumatic and electro-mechanical actuation technologies set the standard for reliability in some of the world's harshest environments to improve safety, performance, efficiency, and maintainability of engines, turbines, flight controls and other critical flight functions.

AEROSPACE

- Hydraulic modules used on most Boeing aircraft for their automatic braking systems.
- Hydraulic actuators for civilian and military helicopters' main rotor and tail rotor actuator controls.
- Cockpit throttle and brake controls, as well as critical aileron, spoiler, flap, and landing gear actuation functions on regional and business jets.
- Aircraft flight control and cockpit control functions for the U.S. F-18 Super Hornet, F-22 Raptor, F-35 Lightning II, C-17 Globemaster III and C-5 Galaxy.

ENERGY

- VariStroke™ actuators for steam turbines provide dependable performance in harsh environments.
- Inlet guide vane actuators increase the efficiency of industrial and aeroderivative gas turbines.
- State-of-the-art electric actuators provide fast and accurate control of valves for fuel and air needed to optimize natural gas and diesel engine emissions, efficiency, and performance.
- Dependable solenoid technologies interface with advanced electronics to precisely control fuel delivery in diesel and natural gas engines.

CONTROL SOLUTIONS

ELECTRICAL

Electronic controls and software technologies are at the core of delivering integrated, modern power system performance, dependability, safety and connectivity. Efficient electrical inverter and converter systems enable the integration of wind power, solar photovoltaic, and energy storage technologies into electric power grids worldwide.

AEROSPACE

- Electronics for control of the submarine hunting radar system on Sikorsky H-60 helicopters.
- Innovative electronic and software package for fly-by-wire hydraulic aileron controls on the U.S. Navy's F-35C Lightning II jet fighter.
- Flight control software and electronics for the U.S. Airforce X-51 WaveRider hypervelocity vehicle.

ENERGY

- A family of engine and emissions control systems for gas engines enables the use of natural gas and bio-gas fuels, while optimizing engine efficiency and emissions.
- ProTech® safety systems monitor critical machinery parameters and react instantly to abnormal conditions to protect personnel and equipment.
- New compressor control solutions improve the performance and efficiency of gas compression equipment serving the expanding global demand for natural gas.
- Concycle wind turbine converters and Solo photovoltaic inverters integrate renewable energy sources onto the electrical grid, efficiently and dependably.

FINANCIAL HIGHLIGHTS

Year Ended September 30,

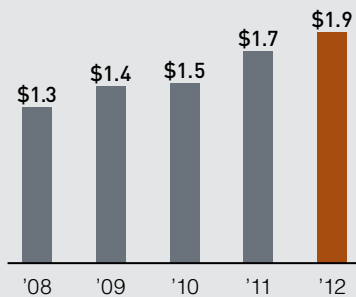
in thousands except per share amounts and other year-end data

	2012	2011	2010	2009	2008
Operating Results					
Net sales	\$1,865,627	\$1,711,702	\$1,457,030	\$1,430,125	\$1,258,204
Net earnings ⁽¹⁾	141,589	132,235	110,844	94,352	121,880
Basic per share amount ⁽¹⁾	2.06	1.92	1.62	1.39	1.80
Diluted per share amount ⁽¹⁾	2.01	1.89	1.59	1.37	1.75
Cash Dividends Per Share	0.310	0.270	0.240	0.240	0.235
Year-end Financial Position					
Working capital	623,609	536,936	456,577	434,166	369,211
Total assets	1,859,964	1,781,434	1,663,233	1,696,422	927,017
Long-term debt, less current portion	384,375	406,875	425,250	526,771	33,337
Stockholders' equity	1,008,115	919,097	803,194	711,515	632,416
Other Year-end Data					
Worker members	6,650	6,199	5,433	5,721	4,476

(1) Represents net earnings or earnings per share (as applicable) attributable to Woodward, Inc. (i.e., excluding any non-controlling interests).

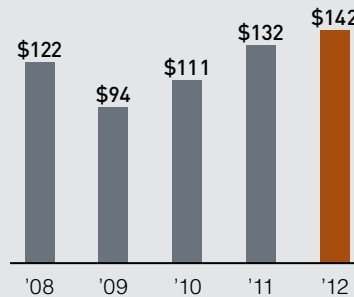
NET SALES

Dollars in Billions



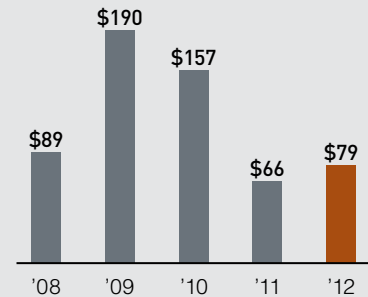
NET EARNINGS

Dollars in Millions



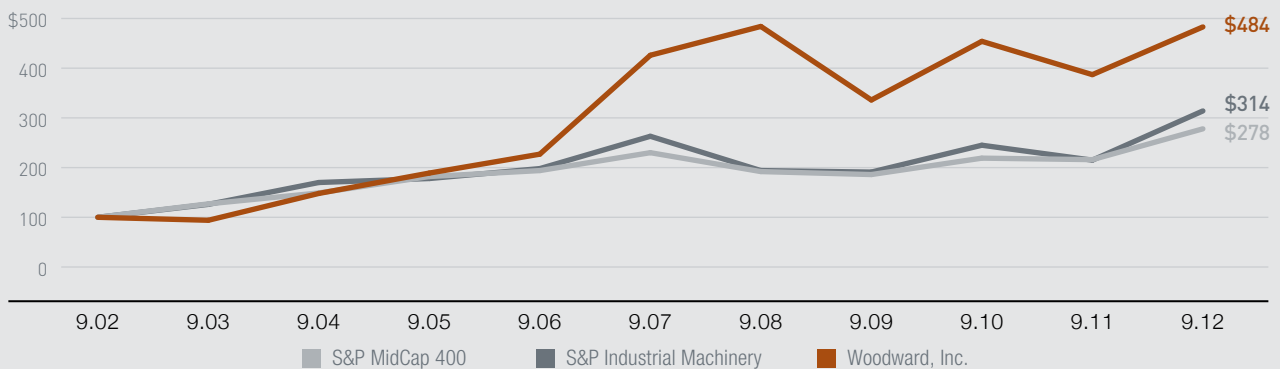
FREE CASH FLOW

Dollars in Millions



COMPARISON OF 10-YEAR CUMULATIVE TOTAL RETURN*

Among Woodward, Inc., the S&P MidCap 400 Index and the S&P Industrial Machinery Index



*\$100 invested on 9/30/02 in stock or index, including reinvestment of dividends. Fiscal year ended September 30.

48%
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ENERGY

DIRECTORS

John D. Cohn

Senior Vice President,
Asia Business Planning and Execution
Rockwell Automation, Inc.

Paul Donovan

Retired Executive Vice President and
Chief Financial Officer
Wisconsin Energy Corporation

Thomas A. Gendron

Chairman, Chief Executive Officer
and President
Woodward, Inc.

John A. Halbrook

Retired Chairman and Chief Executive Officer
Woodward, Inc.

Michael H. Joyce

Retired President and Chief Operating Officer
Twin Disc, Inc.

Mary L. Petrovich

Senior Advisor—Private Equity
Carlyle Group and American Security Partners

Larry E. Rittenberg

Professor Emeritus
University of Wisconsin

James R. Rulseh

President
JRR & Associates

Ronald M. Segal

Vice President and Enterprise Executive
for Energy and the Environment
Colorado State University and
Ohio State University

Gregg C. Sengstack

President
Franklin Electric Company

Michael T. Yonker

Retired President and Chief Executive Officer
Portec, Inc.

OFFICERS

Thomas A. Gendron

Chairman, Chief Executive Officer
and President

Robert F. Weber, Jr.

Vice Chairman, Chief Financial Officer
and Treasurer

Martin V. Glass

President, Airframe Systems

Gerhard Lauffer

President, Electrical Power Systems

Sagar Patel

President, Aircraft Turbine Systems

Chad R. Preiss

President, Engine Systems

James D. Rudolph

President, Industrial Turbomachinery Systems

Harlan G. Barkley

Corporate Vice President,
Information Technology

A. Christopher Fawzy

Corporate Vice President, General
Counsel, Corporate Secretary and
Chief Compliance Officer

Steven J. Meyer

Corporate Vice President, Human Resources

Matthew F. Taylor

Corporate Vice President, Supply Chain

INVESTOR INFORMATION

Woodward, Inc.

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P.O. Box 1519
Fort Collins, CO 80522-1519
1-970-482-5811
www.woodward.com

Investor Information

Investor.Relations@woodward.com
1-815-639-2340

Transfer Agent and Registrar

American Stock Transfer & Trust Company
Shareholder Services
6201 15th Avenue
Brooklyn, NY 11219
1-800-937-5449
www.amstock.com

Shareholder Account Assistance

Shareholders who wish to change the address or ownership of stock, report lost certificates, eliminate duplicate mailings, or for other account registration procedures and assistance, should contact the Transfer Agent at the address or phone number listed.

Dividend Reinvestment Plan and Direct Deposit of Dividends

Woodward offers shareholders of record a convenient Dividend Reinvestment and Direct Stock Purchase and Sale Plan. Through this Plan, shareholders have options to purchase or sell shares of Woodward stock, have their dividends automatically reinvested in Woodward, and to make periodic supplemental cash payments to purchase additional shares.

For further information and an authorization form, contact the Transfer Agent at the address or phone number on this page.

Annual Meeting

January 23, 2013, at 8:00 a.m. MST
Hilton Fort Collins
425 W. Prospect Road
Fort Collins, CO 80526

Stock Exchange

NASDAQ Global Select Market
Ticker Symbol: WWD
SEC filings are available on our website at
www.woodward.com

Equal Opportunity Employer Statement

It is Woodward's policy to provide equal employment opportunity for all qualified members and applicants without regard to race, color, religion, age, sex, national origin, disability, veteran's or marital status, genetic information, or other protected class, and to base all employment decisions so as to further this principle of equal employment opportunity.





1000 East Drake Road
P.O. Box 1519
Fort Collins, Colorado 80522-1519 USA
1-970-482-5811
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BUSINESS DESCRIPTION

Woodward is an independent designer, manufacturer, and service provider of control solutions for the aerospace and energy markets. Our aerospace systems and components optimize the performance of fixed wing and rotorcraft platforms in commercial, business and military aircraft, ground vehicles and other equipment. Our energy-related systems and components enhance the performance of industrial gas and steam turbines, reciprocating engines, compressors, wind turbines, electrical grids and other energy-related industrial equipment. The company's innovative fluid energy, combustion control, electrical energy, and motion control systems help customers offer cleaner, more reliable and more efficient equipment. Our customers include leading original equipment manufacturers and end users of their products.

