Trends in Titanium Consumption in the Jet Engine Market

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This presentation contains forward-looking statements. Forecasted trends are based upon published engine build rates and projected metal consumption and are intended to show trends and not be forecasts of future business levels. Actual results may differ materially from results anticipated in the forward-looking statements. These and additional risk factors are described from time to time in the Company’s filings with the Securities and Exchange Commission, including its Report on Form 10-K for the year ended December 31, 2005, and its quarterly Reports on Form 10-Q.
Titanium Consumption in Jet Engines

Index of Ti Consumption in Jet Engines

Applications

Fan & compressor components: cases, disc, blades & vanes

2006 consumption on track to exceed previous cyclical peak
Factors Driving Increased Titanium Consumption in Jet Engines

• Inherent properties
• Demand for new, efficient aircraft
• Engine size increasing (‘000 lbs. thrust)
  – F135 (40) vs. F100 (29)
  – GE90-115B (115)
  – GP7200 & Trent 900 (76) vs. CF-6/RB211 (60)
  – GEnx & Trent 1000 (70) vs. CF-6/RB211 (60)
• Increased fleet size and utilization = more spares

Greater demand, larger engines = more titanium
Changes in Jet Engine Design

- Limited introduction of composites
  - Fan blades
    - 1970s – Solid Ti
    - 1980s – Hollow Ti
    - 1990s – Composites
  - Fan case
    - First use in GEnx
- Higher engine temperatures
  - Ni content in compressor growing
- New titanium-based materials
  - Gamma TiAl
  - Burn resistant titanium

Evolutionary change
Demand remains strong
- High build rates
- Larger engines
- Spares - commercial and military

2006 consumption on track to exceed previous cyclical peak
because of:

Titanium’s unique benefits

Strong growth in titanium consumption