Titanium Demand in the Jet Engine Market

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This presentation contains forward-looking statements. 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, 2006.
Commercial Aerospace

Trends and Market Drivers

Commercial Aerospace Key Drivers

- Traffic (RPMs)
- Airline profitability
- Capacity (ASMs)
- Fuel costs
- International carriers
- Growth of low-cost carriers
- Fleet size and make-up

Commercial CAGR 5%

Return to Historical Growth Rate

Source: International Civil Aviation Organization (ICAO)
Airline Industry Drivers

Traffic and Profits

Revenue Passenger Miles

- 2001
- 2003
- 2005
- 2007

Traffic is strong

Airlines Passenger Yield

Yields recovering.
Retesting recent highs

Load Factor

Planes are full

Quarterly Profits of U.S. Carriers

U.S. Carriers Profitable

Source: U.S. Bureau of Transportation Statistics.
Covers 90 U.S. airlines. Domestic flights only
Yield data is a 6 carrier sample from ATA
Defense

Trends and Market Drivers

DoD Procurement Forecast
New Weapon Systems

Defense Market Key Drivers

- Defense budget
- Air supremacy; aging fighter fleet
- Demand for transports
- War on terrorism
- Spares demand; missiles
- Nuclear threat – N. Korea, Iran

Source: Bank of America Research – Defense Budget FY06-FY13, Core + Supplemental. 6/7/2007

Near-term Growth
**Jet Engines & Aero-derivative Gas Turbines**

**Trends and Market Drivers**

### Aero & Aero-derivative Engine Forecast

<table>
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<th>Year</th>
<th>Engines</th>
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<td>1996</td>
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<td>2010</td>
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<tr>
<td>2011</td>
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</tbody>
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- **Aero-derivative Engines Deliveries**
- **Military Jet Engines Deliveries**
- **Commercial Jet Engines Deliveries**

### Jet Engine Key Drivers

- **Improving commercial engine builds**
  - 2007 forecast + 8%
- **787 starts in 2008, A350 XWB in 2013**
  - GEnx, Trent 1000, Trent XWB
- **A380 deliveries begin in Oct 2007**
  - GP7200, Trent 900
- **Larger, high efficiency engines**
- **F35 JSF beginning**

Source: Airline Monitor, Forecast International

SPARES NOT INCLUDED

**Increasing Build Rates**
Titanium Consumption in Jet Engines

Applications

Fan & compressor cases, disks, blisks, impellers, blades, vanes, and fasteners

Sources: Airline Monitor, Forecast International, Alivac database
SPARES NOT INCLUDED
Summary - Titanium in Jet Engines

Demand remains strong

- High build rates
- Larger engines
- Spares - commercial and military

Consumption growing because of:

Titanium’s unique benefits
ATI Strategic Investments… So Far
In Support of Market Demand

$925 million of strategic capital projects

Forging Capacity

Rowley, UT
24 million lbs capacity Ti sponge start up 2008

Albany, OR
8 million lbs capacity Ti sponge

Albany, OR
4 million lbs capacity Ti sponge

Nickel-based Alloy
20% melt capacity expansion

Specialty Plate
Plate finishing expansion

2006 2007 2008 2009
Planned completion year

Investing for the Future