



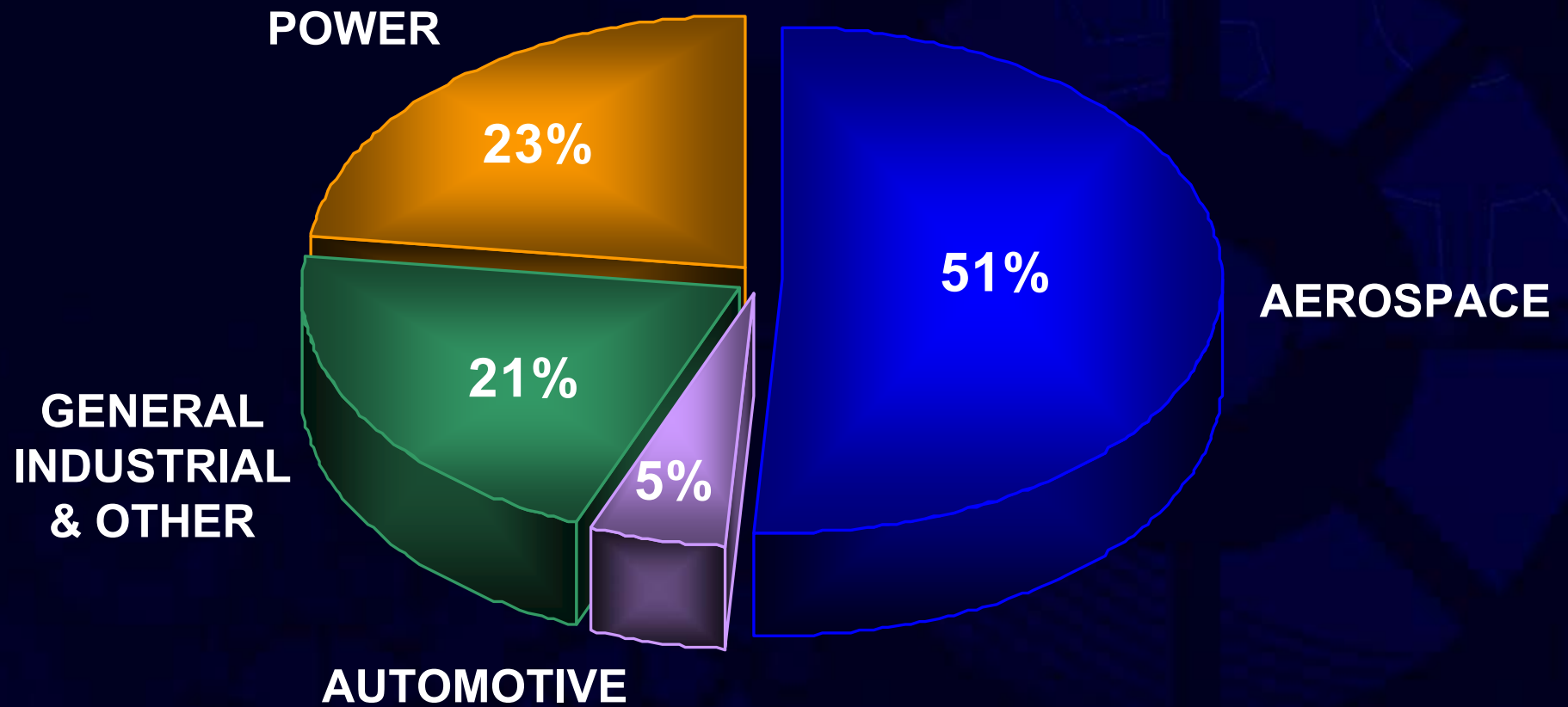
# 14<sup>th</sup> Annual Credit Suisse Aerospace & Defense Conference

Mark Donegan  
Chairman & CEO  
November 19, 2008

# Forward-Looking Statements

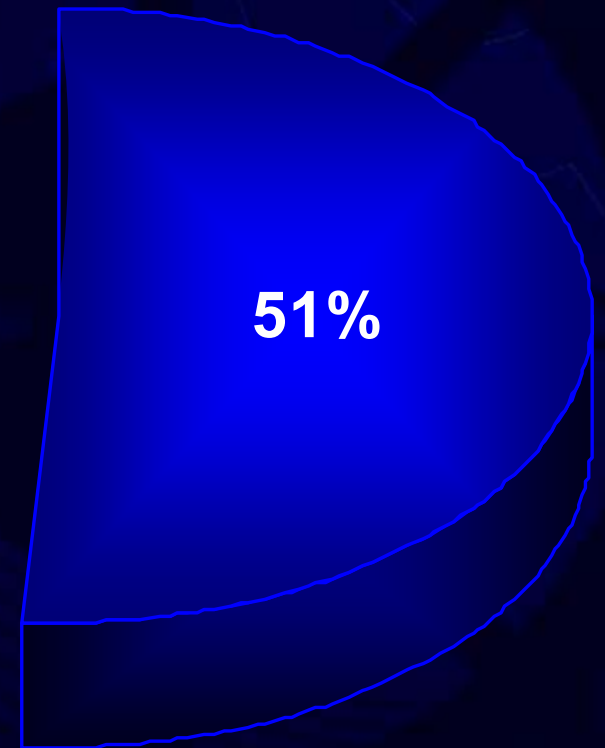
Information included within this press release describing projected growth and future results and events constitutes forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results in future periods may differ materially from the forward-looking statements because of a number of risks and uncertainties, including but not limited to fluctuations in the aerospace, power generation, general industrial and automotive cycles; the relative success of the Company's entry into new markets; competitive pricing; the financial viability of the Company's significant customers; the impact on the Company of customer labor disputes; the availability and cost of materials, energy, supplies, insurance, and pension benefits; equipment failures; relations with the Company's employees; the Company's ability to manage its operating costs and to integrate acquired businesses in an effective manner; governmental regulations and environmental matters; risks associated with international operations and world economies; the relative stability of certain foreign currencies; and implementation of new technologies and process improvement. Any forward-looking statements should be considered in light of these factors. The Company undertakes no obligation to publicly release any forward-looking information to reflect anticipated or unanticipated events or circumstances after the date of this document.

# Sales By Market – Q2 FY09



# Aerospace Strength

- ▶ **Base aerospace business solid**
  - **Commercial OEM base growth through FY10**



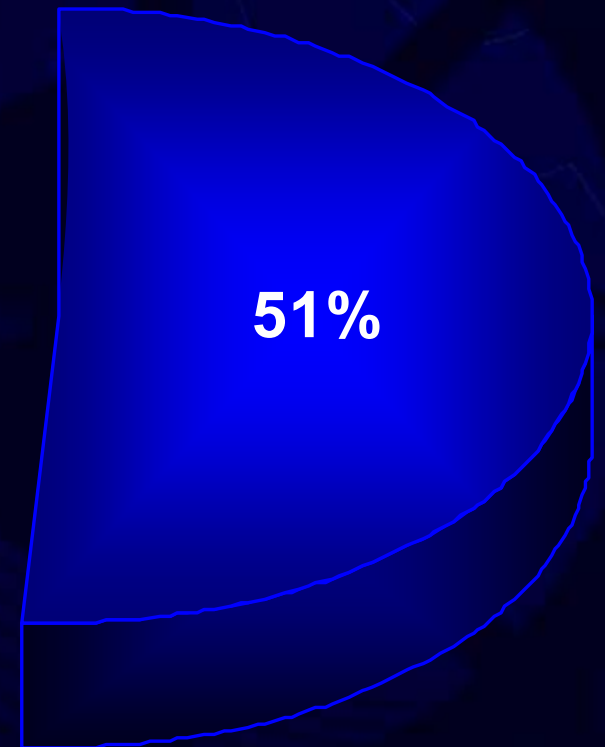
# PCC \$ Content Per Aircraft Platform



\*Data points represent average dollar content

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  - **Commercial OEM base growth through FY10**
  - **Increasing aftermarket sales**
    - > 1,100 aircraft retired by end of CY09
      - MD 80/90    • 737 classics    • A300 classics
      - DC-9        • 767 classics    • 747 classics
    - Virtually no content on these programs
    - Significant content on active platforms



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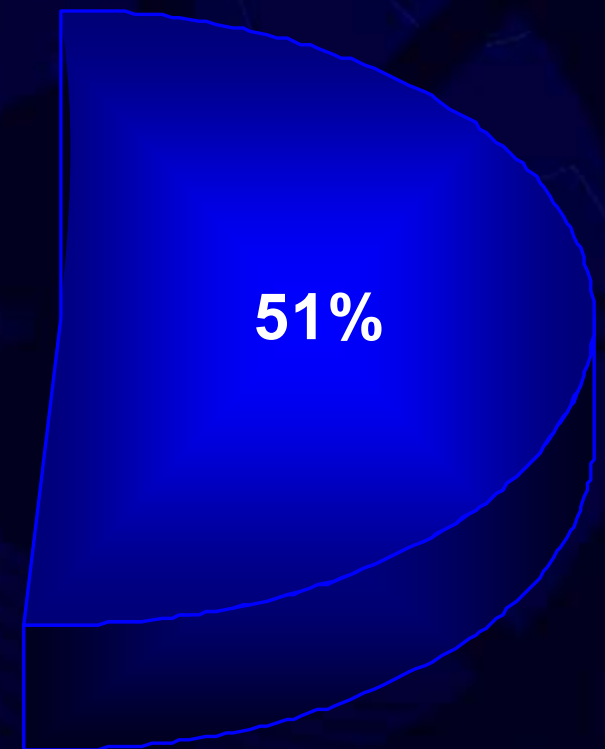
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  - Significant content on active platforms
- Strong military platforms
  - F-18            • F-35
  - C-17            • Helicopters

## ▶ 787/A380 production

- Continued lost opportunity
  - Significant upside
  - \$5B+ backlog
- One 787 = 4-5 narrow-body aircraft
- One A380 = 2-3 narrow-body aircraft



# PCC \$ Content Per Aircraft Platform



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*Precision Castparts Corp.*

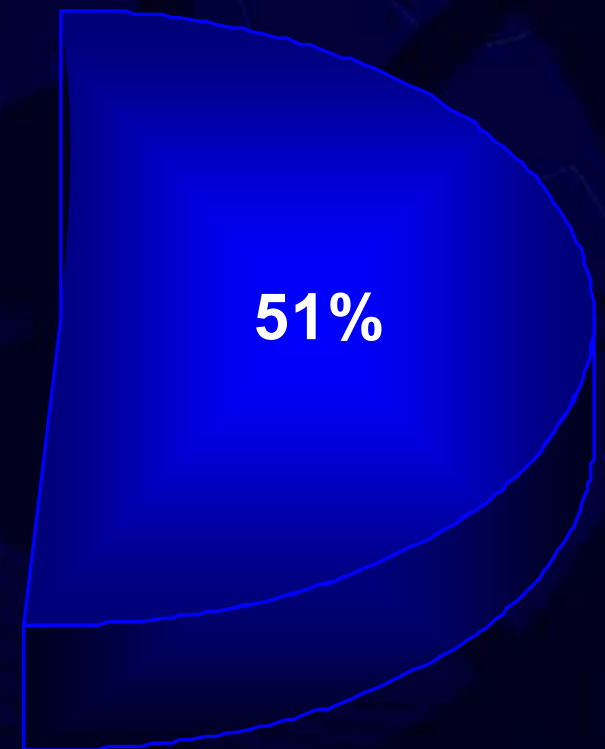
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- One 787 = 4-5 narrow-body aircraft
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- Development complete
- Capacity in place



# Recovery From Boeing Strike



## ► Deliveries to Boeing

- Started to feel impact two weeks into strike
- Trough at about 20% of full rate about time of settlement
- Ramping up now → full production rates expected by February 2009

# PCC Aerospace Strengths – Extensive Component Portfolio

LARGE STRUCTURAL CASTINGS		
Nickel	Titanium	Steel

FORGINGS		
Isothermal		Extrusion
Open Die	Closed Die	Hammer
Nickel	Titanium	Steel

- Wyman-Gordon Lincoln
- Cleveland Drop Dies
- McWilliams Forge

MEDIUM/SMALL STRUCTURAL CASTINGS			
Nickel	Titanium	Steel	Aluminum

- GSC Foundries

AIRFOIL CASTINGS		
EQ	DS	SX
Nickel		TiAl

- AETC

CRITICAL FASTENERS		
Nickel	Titanium	Steel

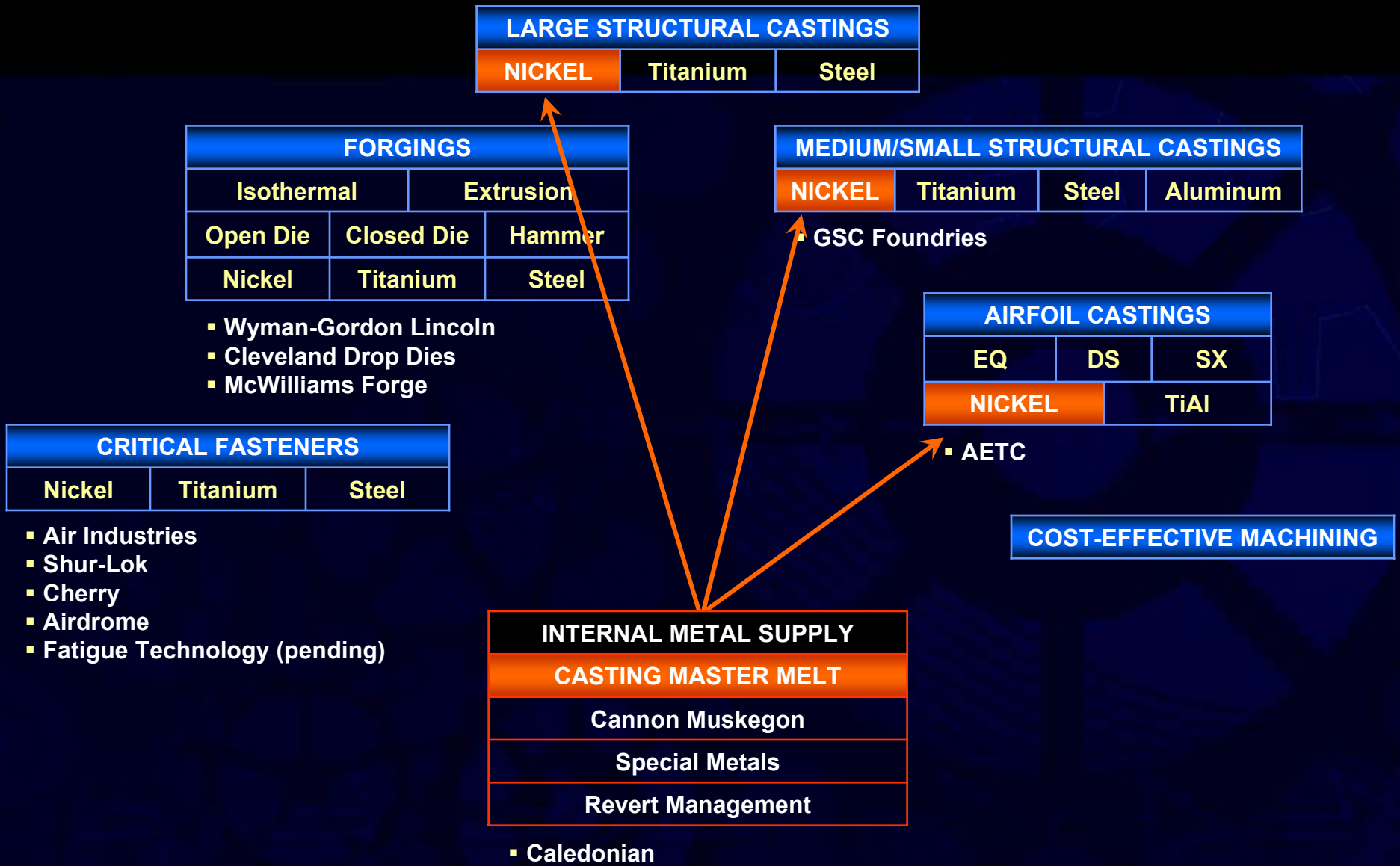
- Air Industries
- Shur-Lok
- Cherry
- Airdrome
- Fatigue Technology (pending)

## COST-EFFECTIVE MACHINING

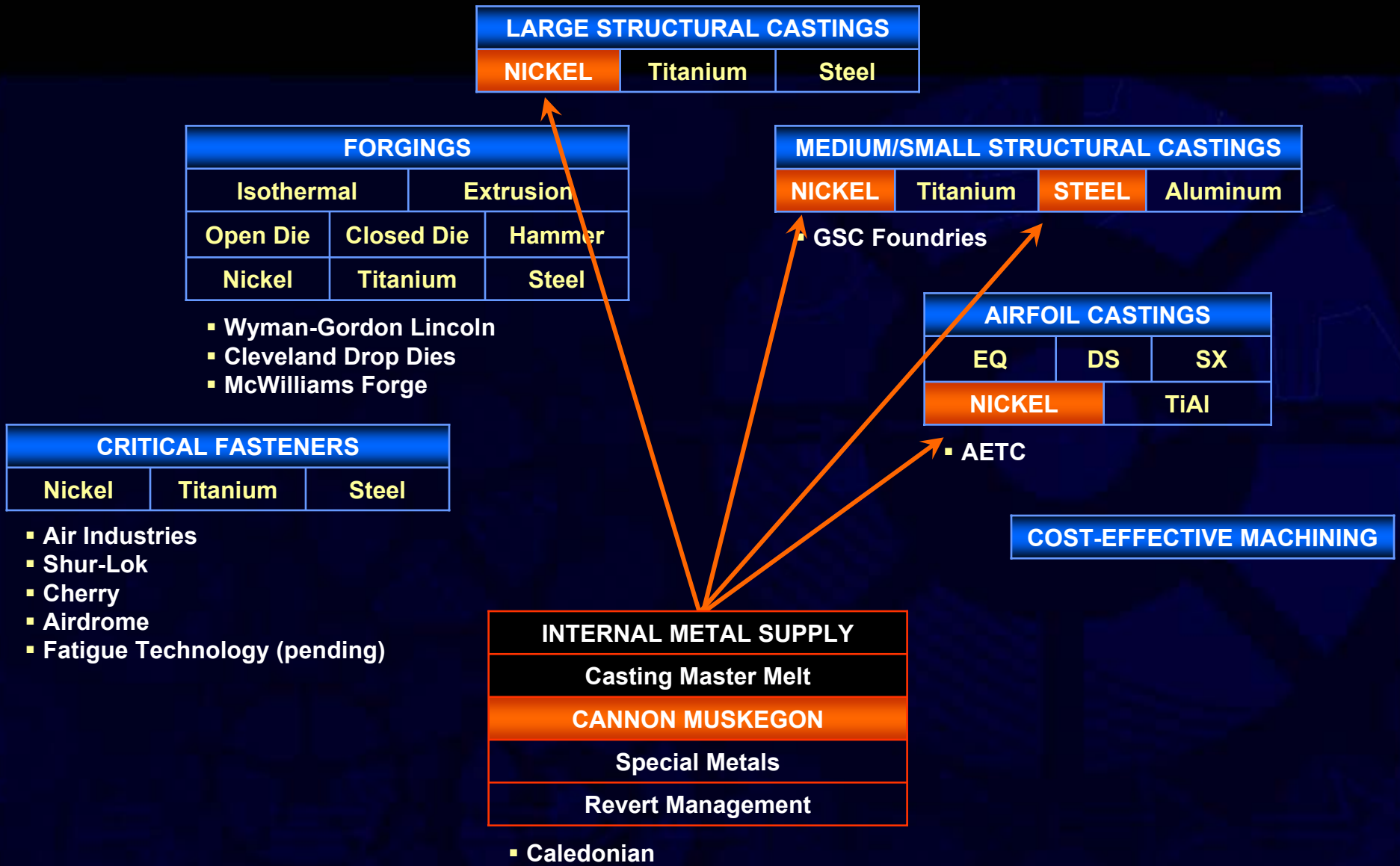
INTERNAL METAL SUPPLY
Casting Master Melt
Cannon Muskegon
Special Metals
Revert Management

- Caledonian

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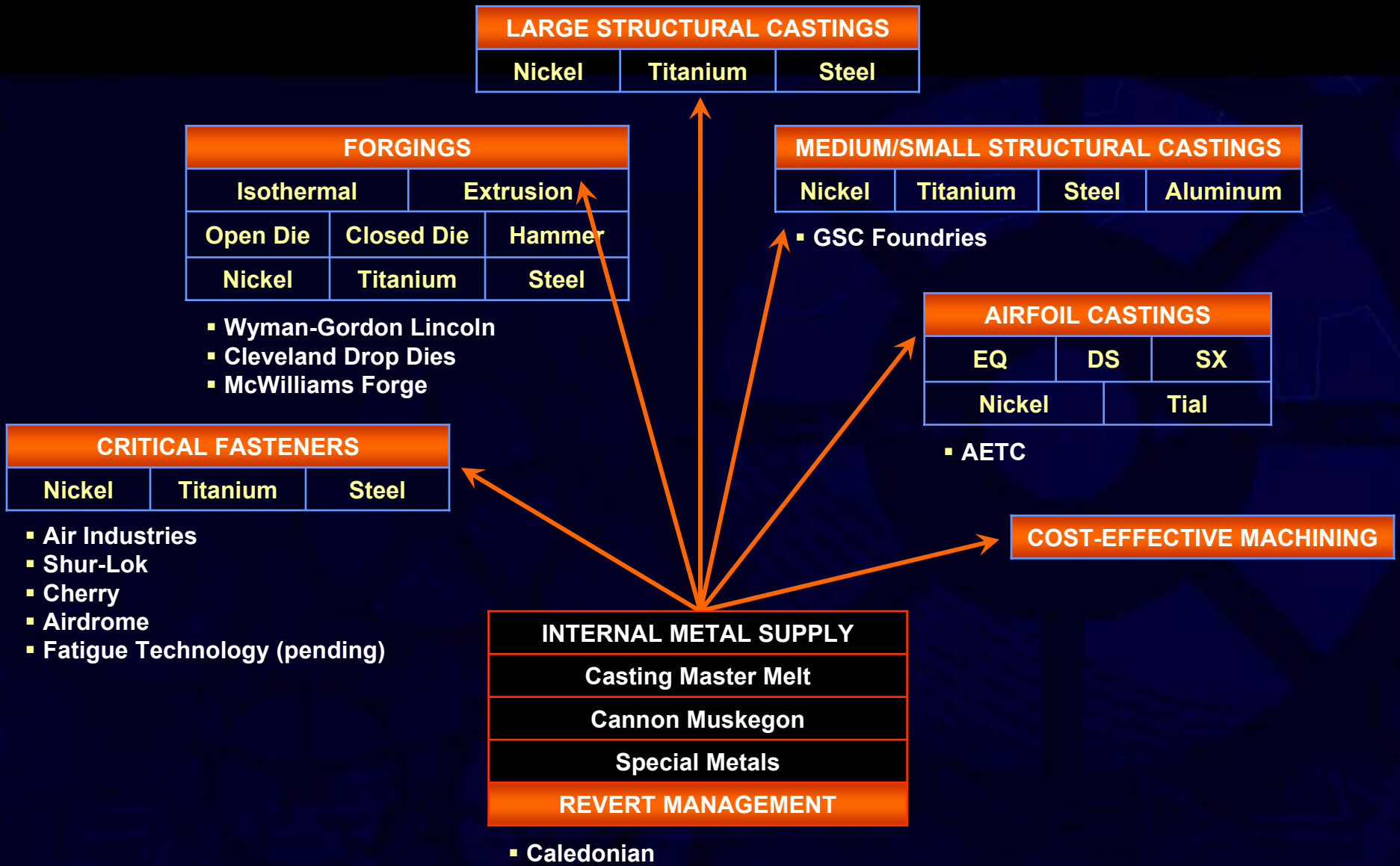
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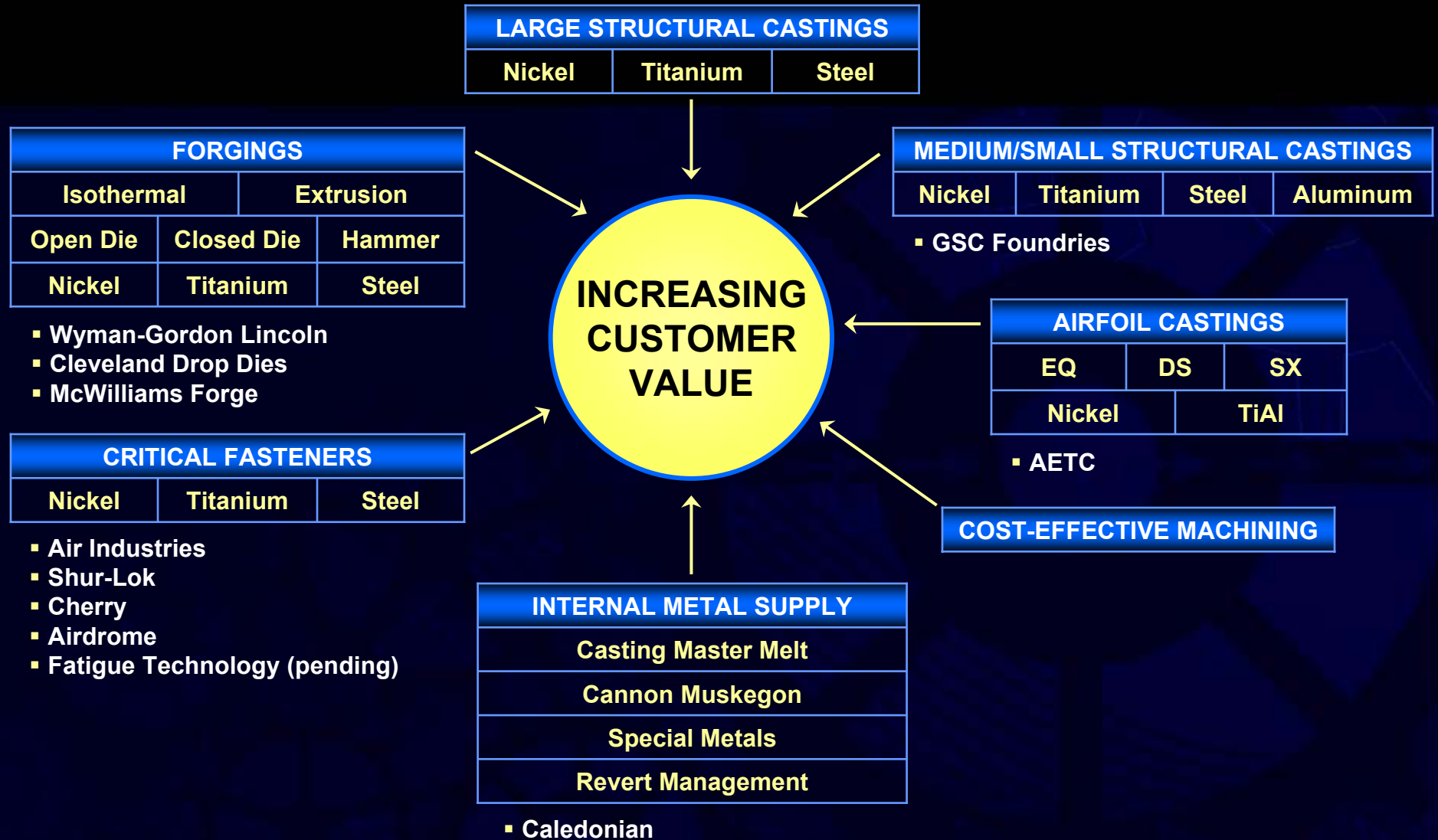
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# PCC Aerospace Strengths – Extensive Component Portfolio



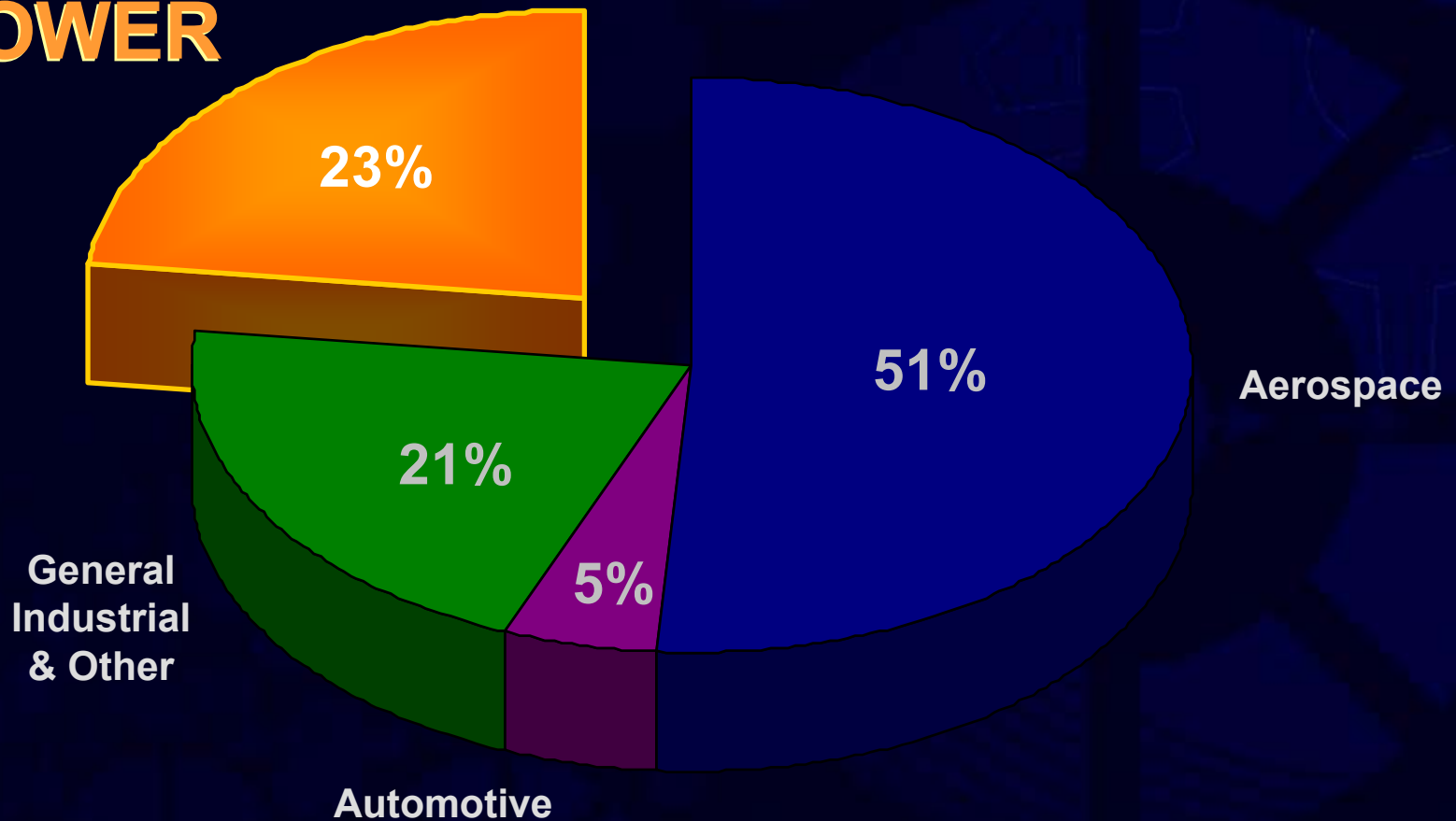
# PCC Aerospace Strengths – Extensive Component Portfolio



**Full Spectrum of Products/Services**

# Sales By Market – Q2 FY09

**POWER**



# The Growing Power Market

## Industrial Gas Turbine

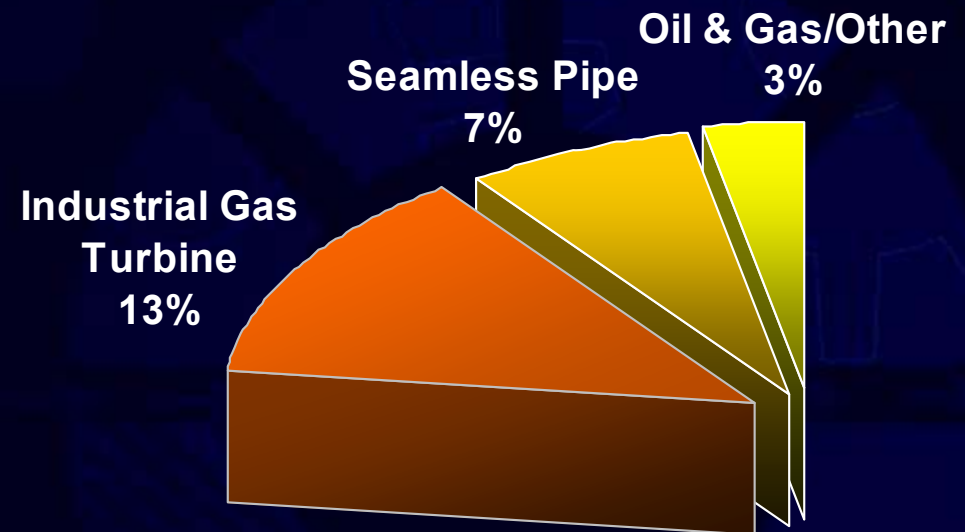
- 56% of total power sales
- 36% growth (FY07 – FY08)

## Seamless Pipe

- 32% of total power sales
- 38% growth (FY07 – FY08)

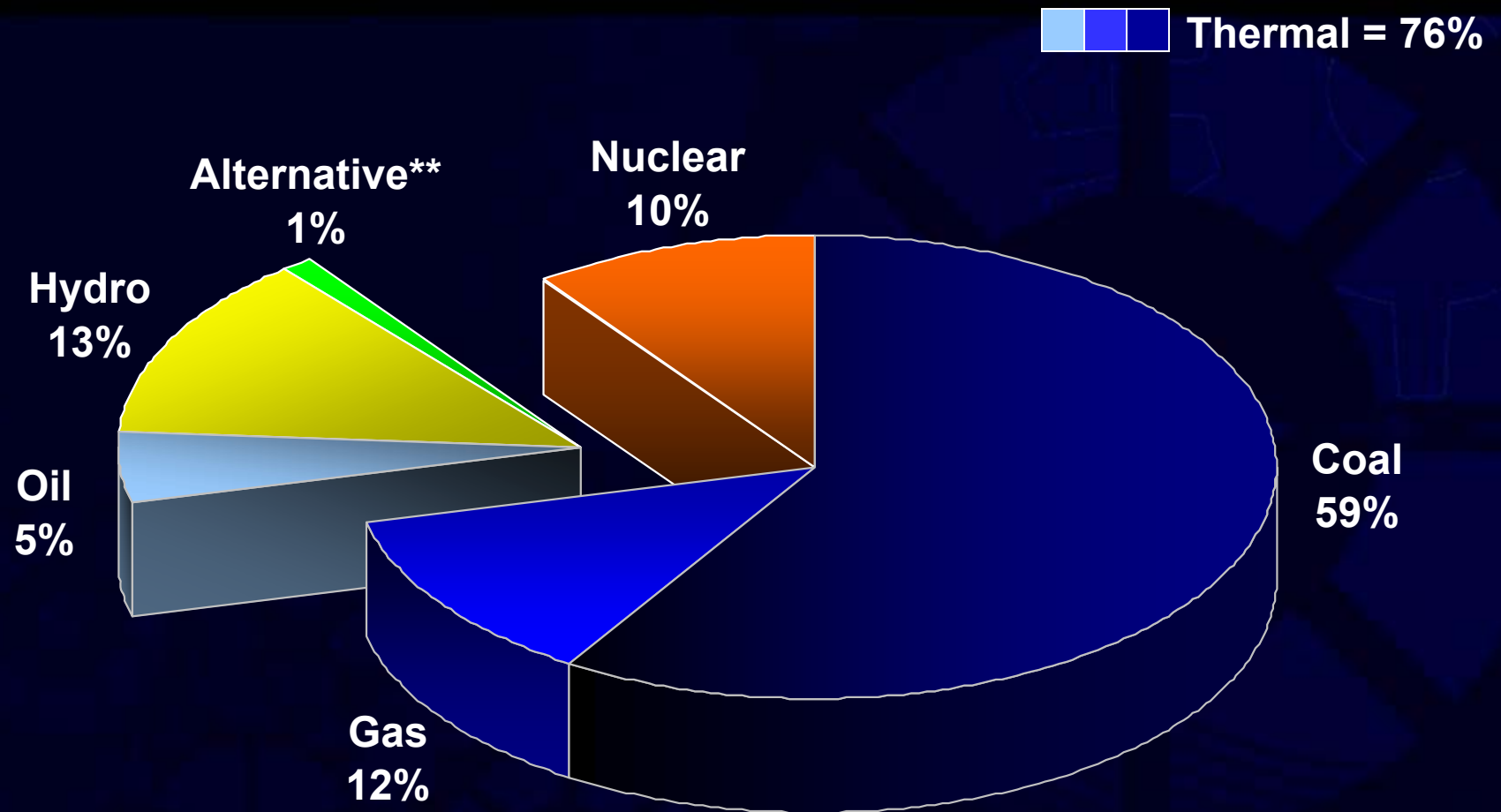
## Oil & Gas/Other

- 12% of total power sales
- 56% growth (FY07 – FY08)



**WELL-POSITIONED ACROSS POWER SPECTRUM**

# Worldwide Power Fuel Sources\*



\*Industry data

\*\*Alternative = Wood, Wind, Geo, Solar, etc.

# The Growing Power Market – Industrial Gas Turbines

- ▶ **Worldwide Demand**
  - ~ 30% increase in IGT installed base by 2018\*
- ▶ **IGT Advantages**
  - Ease of installation
  - Peak/baseload flexibility → quick “on/off”
  - Low emissions/environmentally clean
  - Reasonable up-front capital costs
  - Shorter lead time to market
- ▶ **PCC Content**

\*Customer data

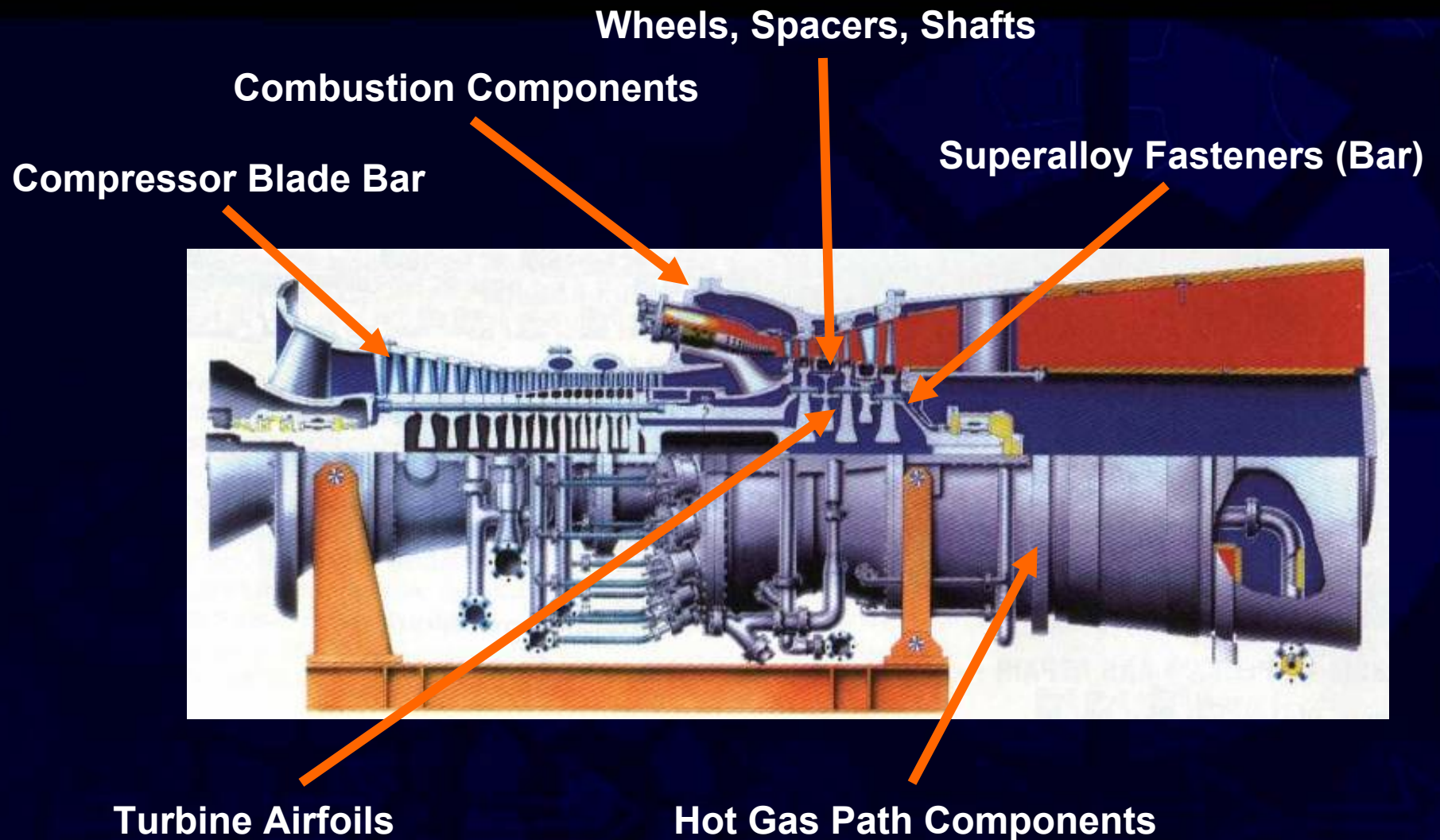
*Precision Castparts Corp.*

# PCC \$ Content Per IGT Platform

\$ Millions



# PCC Components in Land-Based Gas Turbines



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  - Reasonable up-front capital costs
  - Shorter lead time to market
- ▶ **PCC Content**
- ▶ **Capacity additions (investment casting)**
  - Deer Creek – operational Q2 FY09
  - Renaissance Park – operational Q4 FY09
  - \$90M run rate

**Typical Domestic IGT Power Plant → \$14M**  
**Typical International IGT Power Plant → \$21+M**

# The Growing Power Market – Coal Power Plants

## ▶ Worldwide Demand

- ~ 32% increase in coal power plant installed base by 2018\*
- > 700 coal-fired power plants under construction or on the drawing board
  - China
  - India
  - U.S.

## ▶ Improved Systems

- ~ 50% of coal plants worldwide 40-50 years old (designed for 40-year life)
- Significant annual maintenance/replacement activity
- Higher temperatures → transition from steel to nickel
- Reduced emissions
- 30-35% efficiency → > 50% efficiency

**Potential PCC Dollar Content Per Coal-Fired Power Plant:  
Conventional 1,000 MW Coal Power Plant  
\$16M - \$20M**

**WELL-POSITIONED FOR INTERNATIONAL AND DOMESTIC GROWTH**

# The Growing Power Market – Nuclear Power Plants

## ▶ Worldwide Demand

- ~ 22% increase in nuclear reactor installed base by 2018\*
- 40+ plants currently under construction or on the drawing board\*\*
  - China
  - South Korea
  - United Kingdom
  - France

## ▶ Most new plants built adjacent to existing reactors

- Reduced “NIMBY” (Not In My Backyard)
- Minimized environmental debate

## ▶ Replacement activity worldwide

## ▶ Opportunities in reactor waste storage

Potential Value to PCC



~ \$12M Per Reactor Installation

\*European Nuclear Society

\*\*World Nuclear Organization

# Acquisition Activity

## ▶ **Airdrome** *(closed)*

- Significant addition to critical aerospace fastener product line
  - Previously unaddressed \$200M fluid fittings market
- Core competencies ✓
- Immediately accretive ✓

## ▶ **Fatigue Technology** *(closing expected Q309)*

- Technology leader in airframe fastener fatigue life extension
  - All products designed to deliver cold expansion process
- Core competencies ✓
- Immediately accretive ✓

## ▶ **Hackney Ladish** *(closing expected Q309)*

- Leading manufacturer of pipe fittings for oil & gas applications
- Transfer capabilities into existing Wyman-Gordon and Special Metals end markets
- Core competencies ✓
- Immediately accretive ✓



~ \$500M Cash Committed Over Past 3 Months  
Well-Positioned For Additional Opportunities

# Summary

- ▶ **Strong aerospace business → present and future**
- ▶ **Significant upside in major power markets**
- ▶ **Developing opportunities in general industrial**
- ▶ **Further market inroads across the board**
- ▶ **Continued productivity/cost takeout improvement**

**LOOKING FORWARD TO FUTURE CHALLENGES**

# Questions

**Mark Donegan**  
**Chairman & CEO**