PCC Precision Castparts Corp.

Fiscal 2010 Q3 Earnings

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Forward-Looking Statements

Information included within this presentation 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, and general industrial 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; demand, timing, and market acceptance of new commercial and military programs; the availability and cost of energy, materials, supplies, and insurance; the cost of pension benefits and post-retirement medical 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; the impact of adverse weather or natural disasters; the availability and cost of financing; 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.

Solid Operating Performance

	Q3 FY10	Q3 FY09	% Change
Net Sales	$ 1,372.8 M	$ 1,610.7 M	-14.8 %
Consolidated Segment Operating Income	$ 354.2 M	$ 374.1 M	-5.3 %
Margin %	*25.8 %*	*23.2 %*	
Earnings Per Share from Continuing Operations *(diluted)*	$ 1.61	$ 1.68	-4.2 %

Q3 Sales:
- Currency benefit of ~ $18M
- Lower average metal prices and pass-through ~ $67M
- Strong destocking activity
  - Aerospace
    - Mismatch of OEM orders and build rates
    - Fastener distribution
    - Aftermarket
  - IGT
    - Weakness in OEM orders partially offset by share gains
    - Initial destocking by European IGT customers
  - Soft general industrial markets

Sequential Sales: Q2 → Q3
- Fewer manufacturing days
- Slight upturn in aerospace OEM demand
- No aerospace aftermarket/distribution upside
- Destocking by European IGT customers
- Gradual recovery in general industrial markets

Q3 EBIT:
- Currency benefit of ~ $3M
- Significantly lower throughput in all operations
- Carlton Forge planned maintenance
- Unexpected equipment outages

Q3 Response: Drive for operational excellence
- Productivity
- Metal utilization
- Scrap and rework
- Yields

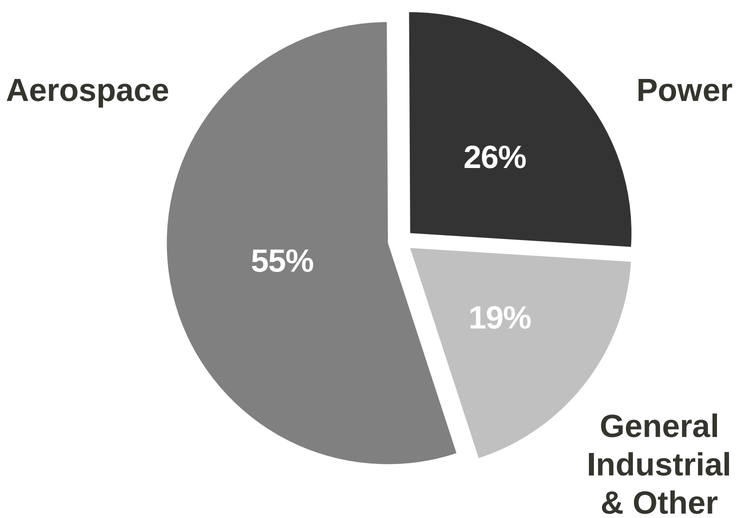
30-35% incremental deleveraging
▼
Decrease of $57-66M net operating profit on 12% lower net sales

Actual deleverage of $23M net operating profit
▼
Improved cost structure by ~ $34-43M

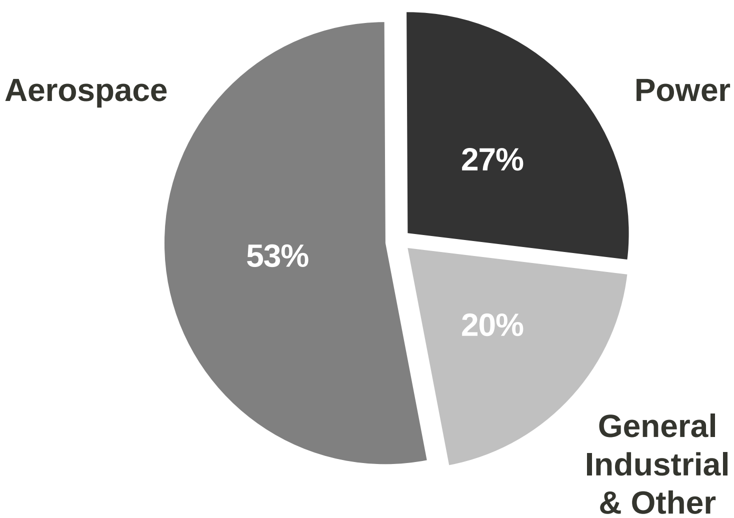
CONTINUED FOCUS ON ALL OPPORTUNITIES WITHIN OUR CONTROL

Sales By Market – Q3 FY10 vs. Q3 FY09

Q3 FY10



Q3 FY09



Segment Summary

Investment Cast Products

	Q3 FY10	Q3 FY09	% Change
Sales	$ 454.7 M	$ 537.5 M	-15.4 %
Operating Income	$ 137.5 M	$ 135.3 M	1.6 %
Operating Margin	*30.2 %*	*25.2 %*	

Q3 Sales Challenges:

- Lower material pass-through of ~ $8M
- Aerospace
  - Extreme destocking
  - Aftermarket weakness
  - Lower external alloy volume → ~ 40% y-o-y
- IGT
  - Soft OEM end market
  - Share gain upside
  - Initial destocking by European IGT customers

Sequential Sales Developments: Q2 → Q3

- Fewer manufacturing days
- Small uptick in long-lead aerospace OEM orders
  - Leading indicator – large structural castings
- No traction in aftermarket orders
- European IGT destocking

Recovery anticipated during Q2 FY11

Q3 EBIT Challenges:

- Substantial volume decreases

Q3 EBIT Response: Daily operational discipline at every level

- Productivity
- Material utilization
- Scrap and rework

Cost structure solidly positioned for upside
“Sweet spot” as volume returns

Segment Summary

Forged Products

	Q3 FY10	Q3 FY09	% Change
Sales	$ 587.0 M	$ 702.8 M	-16.5 %
Operating Income	$ 136.4 M	$ 154.8 M	-11.9 %
Operating Margin	*23.2 %*	*22.0 %*	

Q3 Sales Challenges:

- Lower selling prices at three primary mills of ~ $23M
- Lower contractual material pass-through of ~ $34M
- Significantly reduced aerospace orders
  - OEM destocking
  - Aftermarket
  - Reduced external alloy volume
- Depressed general industrial demand

Sequential Sales Developments: Q2 → Q3

- Fewer manufacturing days
- Signs of stabilization in OEM aerospace orders
- Stalled aerospace aftermarket
  - Impacts closed die forgings
- Seamless pipe holding steady
- Slight general industrial recovery

Q3 EBIT Challenges:

- Significantly decreased absorption
  - Large fixed cost base
- Two unexpected equipment outages
- Carlton Forge planned maintenance

Q3 EBIT Response: Unceasing attack on all fronts

- Metal utilization
  - Revert – Yields – Blends – Reclamation
- Productivity
- Scrap and rework
- Fixed costs

Continued runway for cost improvements
Very effective leverage of increased volume

Segment Summary

Fastener Products

	Q3 FY10	Q3 FY09	% Change
Sales	$ 331.1 M	$ 370.4 M	-10.6 %
Operating Income	$ 105.6 M	$ 109.4 M	-3.5 %
Operating Margin	*31.9 %*	*29.5 %*	

Q3 Sales Challenges:

- Aerospace
  - OEM and distributor destocking
  - Decimated regional/business jet end markets
  - Share gains minimized y-o-y drop to ~ 15%
    - Significantly less impact than castings/forgings
- Flat general industrial demand y-o-y

Sequential Sales Developments: Q2 → Q3

- Fewer manufacturing days
- OEM demand slowly beginning to come back
- Distribution demand holding flat
- Slight uptick in general industrial sales

Q3 EBIT Challenges:

- Negative volume/leverage

Q3 EBIT Response: Relentless focus on cost-reduction

- Productivity
- Asset utilization
- Scrap and rework
- Elimination of outside services
- Focused share gain efforts

Structured for significant upside benefit

Future volume opportunities

- Return of base business
- 787 production
- Stabilization of regional/business jet market
- Share gains

Cash and Debt Position for Q3 FY10

	Dec 27, 2009	Sept 27, 2009	Q3 Change
Cash	$ 218.4 M	$ 743.0 M	$ (524.6 M)
Debt	289.9 M	259.9 M	(30.0 M)
Debt-To-Capitalization	*4.8 %*	*4.5 %*	
Add back cash and debt utilized to close Carlton Forge acquisition			850.0 M
Total change in cash and debt, excluding cash and debt utilized to close Carlton Forge acquisition			$ 295.4M

Summary

Fourth Quarter Fiscal 2010

Aerospace

- Continued gradual increases in OEM order schedules
  - Realignment with aircraft build rates anticipated by end of 1H FY11
- No pickup in aftermarket or distributor sales
- Regional and business jet production slowly moving off the lows
- Carlton Forge
  - Maintenance and overhaul complete
  - Similar aerospace market dynamics
  - Additional upside from PCC toolbox

Power

- Continued IGT destocking by European customers
- Seamless pipe relatively flat
  - Initial benefits of Chengde acquisition
- Slow growth in oil & gas

General Industrial

- Continued slow growth → ~ 1-2% annual rate

Steckel mill outage (Forged Products)

- Expected to be back on line by end of Q4
- Working to reposition throughput (internal/outsourcing)

Summary, cont'd

First Half of Fiscal 2011

Q1: Similar dynamics to Q4

- Aerospace OEM orders continuing to slowly close gap
  - Large structural castings
  - Fastener OEMs
- European IGT destocking holding at Q4 rates
- No measurable increase in aftermarket/distribution order activity
- Continued slow general industrial growth

Q2: Transition to recovery

- Realignment of OEM orders to aircraft build rates
- Slowing of European IGT destocking
- Gradual pickup in aftermarket/distribution volumes
- Further upside in general industrial
- Initial 787 hardware orders anticipated

CONTINUED FOCUS ON DRIVING MANUFACTURING PERFORMANCE

Precision Castparts Corp.

Questions