

Fiscal 2010 Q4 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

	Q4 FY10	Q4 FY09	% Change
Net Sales	\$ 1,440.8 M	\$ 1,600.0 M	-9.9 %
Consolidated Segment Operating Income	\$ 361.2 M	\$ 399.4 M	-9.6 %
Margin %	25.1 %	25.0 %	
Earnings Per Share from Continuing Operations (<i>diluted</i>)	\$ 1.66	\$ 1.87	

Y-O-Y Q4 Sales:

- Lower average metal prices and pass-through of ~ \$53M
- End market pressures
 - Significant aerospace destocking
 - Consolidation of fastener distribution
 - Declining aerospace aftermarket requirements
 - General industrial weakness
 - European IGT destocking
 - Softness in seamless pipe orders
- Full quarter of Carlton Forge
- Favorable currency of ~ \$22M

Sequential Sales: Q3 → Q4

- Slowly recovering aerospace OEM shipments
- Flat aerospace aftermarket/fastener distribution sales
- European IGT destocking at similar levels
- Initial declines in seamless pipe orders
- Gradual pickup in general industrial markets
- Unfavorable currency of ~ \$9M

Q4 EBIT:

- Substantial y-o-y loss of volume
 - Aerospace
 - IGT
 - General industrial
- Reduction in pipe sales in Q4
- Pressure from volatile metal pricing

Partially offset by

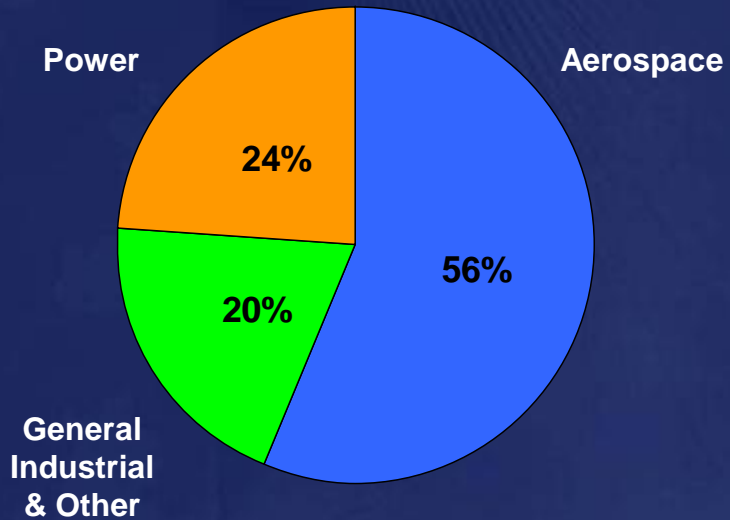


- Improved operational performance
 - Continued push throughout the course of the year
- Full quarter of Carlton Forge
- Favorable currency of ~ \$4M

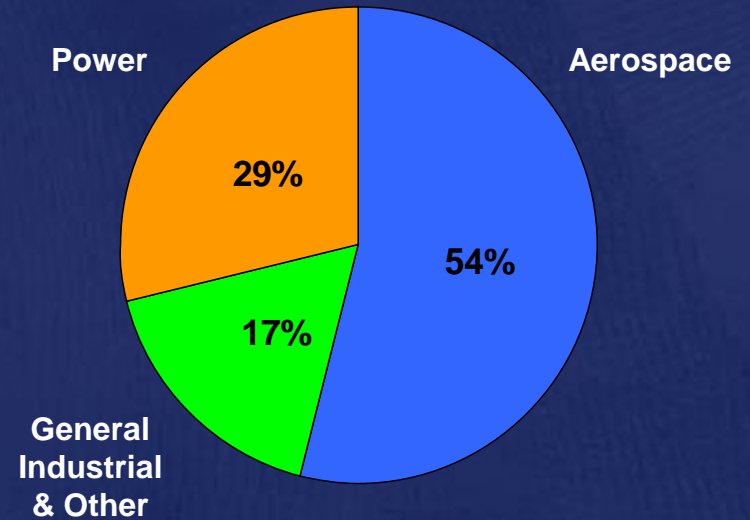
- Q4 played out as expected
- Same basic market factors in Q1/Q2 FY11
- Return to solid growth by second half FY11

Sales By Market – Q4 FY10 vs. Q4 FY09

Q4 FY10



Q4 FY09



FY10: Confronting the Downturn Head On

	FY10	FY09	% Change
Net Sales	\$ 5,486.6 M	\$ 6,801.2 M	-19.3 %
Consolidated Segment Operating Income	\$ 1,422.4 M	\$ 1,596.2 M	-10.9 %
Margin %	25.9 %	23.5 %	
Earnings Per Share from Continuing Operations (<i>diluted</i>) (Includes \$0.05 of restructuring charges in FY09)	\$ 6.50	\$ 7.37	

- Weathered negative pressures across all markets
- Focused on improving productivity, material utilization, yields, other key performance metrics
- Established new cost structure for solid leverage of increased volumes

30-35% incremental deleveraging

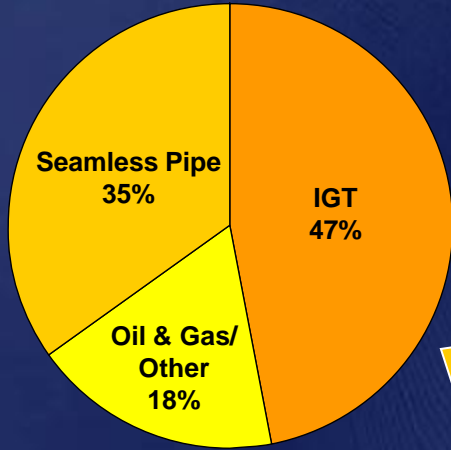
Represents a decrease of \$292-340M net operating profit on 15% lower net sales

Actual deleverage of \$158M net operating profit

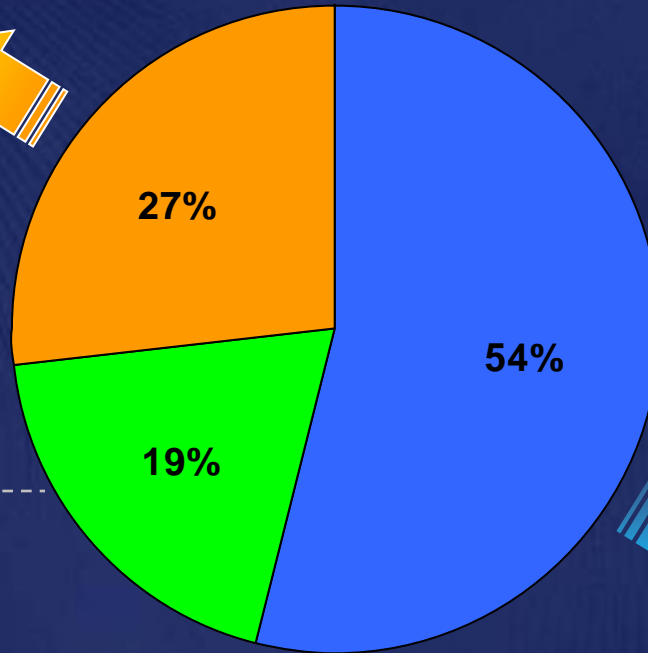
Improved cost structure by ~ \$134-183M

WELL-POSITIONED AND READY FOR 2H FY11 RECOVERY

Sales By Market – FY10

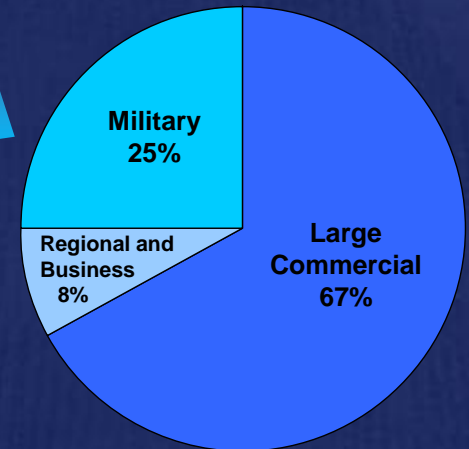


POWER



**GENERAL
INDUSTRIAL
& OTHER**

AEROSPACE



Segment Summary

Investment Cast Products

	Q4 FY10	Q4 FY09	% Change
Sales	\$ 466.9 M	\$ 536.4 M	-13.0 %
Operating Income	\$ 145.3 M	\$ 142.8 M	1.8 %
<i>Operating Margin</i>	31.1 %	26.6 %	

Y-O-Y Q4 Sales:

- Aerospace
 - Substantial decline in orders
 - OEM
 - Aftermarket
- IGT
 - Lower OEM shipments
 - Destocking at European customers
 - Share gains

Sequential Sales Developments: Q3 → Q4

- Slight improvement in aerospace OEM
 - End of OEM destocking
 - Continued mismatch of component deliveries and aircraft build rates
- Flat aerospace aftermarket
- Full quarter of European IGT destocking



Second Half FY11 Upside

- Match up of orders with aircraft deliveries
- Production ramp-up of 787
 - New component wins
 - Additional development opportunities
- Recovery in aerospace aftermarket
- End of European IGT destocking

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Y-O-Y Q4 EBIT:

- Volume decline, countered by
 - Productivity gains
 - Improved metal utilization/yields
 - Daily blocking and tackling

- Strong cost structure for upside leverage on
 - Aerospace OEM recovery
 - Initial 787 production
 - Growing aerospace aftermarket sales
- Holding the line on gains in productivity and other operational metrics

Segment Summary

Forged Products

	Q4 FY10	Q4 FY09	% Change
Sales	\$ 640.3 M	\$ 678.0 M	-5.6 %
Operating Income	\$ 132.1 M	\$ 162.2 M	-18.6 %
<i>Operating Margin</i>	20.6 %	23.9 %	

Y-O-Y Q4 Sales:

- Lower selling prices at three primary mills of ~ \$26M
- Lower contractual material pass-through of ~ \$27M
- Aerospace
 - Dramatically reduced OEM and aftermarket sales
- Seamless pipe
 - More than 12% decline in total shipments
 - Change in Chinese customer ordering patterns
 - Larger, more eco-friendly coal-fired plants
 - Working through current inventory
- General industrial
 - Significant y-o-y drop off

Partially offset by full quarter of Carlton Forge sales

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Sequential Sales Developments: Q3 → Q4

- Initial downturn in seamless pipe sales offset by:
 - Full quarter of Carlton Forge sales
 - Low-single-digit general industrial growth
- Modest aerospace OEM improvement
 - OEM destocking at an end
- Flat aerospace aftermarket



Second Half FY11 Upside

- Solid aerospace OEM orders
- 787 components already loaded into schedules
- Increased aerospace aftermarket
- Improved seamless pipe sales
 - Renewed focus on P91/P92 orders: “sweet spot”
 - Benefits of Chengde/Wyman-Gordon product packages

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Q4 EBIT:

- Base businesses
 - Reduced volumes on high fixed cost base
 - Aerospace
 - Seamless pipe
 - General industrial
- Escalating nickel prices during quarter
 - Major impact on Q4 margins
 - Cost recovery in future shipments

Partially countered by Carlton Forge at lower margins

- Optimum leverage of high fixed-cost operations
 - Aerospace OEM and aftermarket volumes
 - 787 production ramp
 - Increase in seamless pipe orders
- Building on top of improved operational performance levels
- Continued recovery of material costs

Segment Summary

Fastener Products

	Q4 FY10	Q4 FY09	% Change
Sales	\$ 333.6 M	\$ 385.6 M	-13.5 %
Operating Income	\$ 108.4 M	\$ 119.3 M	-9.1 %
<i>Operating Margin</i>	32.5 %	30.9 %	

Y-O-Y Q4 Sales:

- Aerospace
 - Significant decreases
 - Destocking
 - Aftermarket
 - Distribution consolidation
 - Regional/business jet markets

Sequential Sales Developments: Q3 → Q4

- Slow pickup in aerospace OEM shipments
 - Turning the corner on destocking
- Flat aerospace aftermarket/distributor orders



Second Half FY11 Upside

- Acceleration of 787 build rate
 - ~ 50% of PCC's dollar content
- Increased aerospace demand
 - OEM
 - Distributor
- Initial regional/business jet recovery

Segment Summary

Fastener Products

	Q4 FY10		Q4 FY09		% Change
Sales	\$	333.6 M	\$	385.6 M	-13.5 %
Operating Income	\$	108.4 M	\$	119.3 M	-9.1 %
<i>Operating Margin</i>		32.5 %		30.9 %	

Y-O-Y Q4 Sales:

- Aerospace
 - Significant decreases
 - Destocking
 - Aftermarket
 - Distribution consolidation
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Sequential Sales Developments: Q3 → Q4

- Slow pickup in aerospace OEM shipments
 - Turning the corner on destocking
- Flat aerospace aftermarket/distributor orders

Y-O-Y Q4 EBIT:

- Decreased leverage on lower volumes, offset by
 - Driving operational performance
 - Hitting daily cost targets
 - Level-loading plants
 - Increasing productivity levels

- Volume increases with minimal cost additions
- 787 Program: Significant growth engine
 - New share gains
- Further opportunities on horizon

Cash and Debt Position for Q4 FY10

	<u>March 28, 2010</u>	<u>Dec 27, 2009</u>	<u>Q4 Change</u>
Cash	\$ 112.4 M	\$ 218.4 M	\$ (106.0 M)
Debt	250.0 M	289.9 M	39.9 M
<i>Debt-To-Capitalization</i>	<i>4.1 %</i>	<i>4.8 %</i>	
Add back cash and debt utilized to close the Chengde acquisition			<u>351.0 M</u>
Total change in cash and debt, excluding cash and debt utilized to close the Chengde acquisition			<u><u>\$ 284.9M</u></u>

Summary Q4 FY10

- Solid operating performance on ~10% y-o-y sales decline
- Aerospace
 - Slowly recovering aerospace OEM business
 - Flat sequential aftermarket/fastener distributor orders
- Power
 - Full quarter of European IGT destocking
 - Initial decline in seamless pipe sales
 - Shift in Chinese customer ordering patterns
 - Modest uptick in oil & gas
- General industrial
 - Low-single-digit growth on sequential basis

Outlook FY11

First Half of Fiscal 2011

- Two full quarters of reductions in seamless pipe shipments
 - Further adjustments in Chinese inventory
- Other markets → similar dynamics to Q4
 - Slow return of aerospace OEM
 - Flat aerospace aftermarket/fastener distribution
 - IGT destocking
 - Modest general industrial recovery

Second Half of Fiscal 2011

- Match up of component orders and aircraft build rates
 - Schedules filling in NOW
- Initial 787 production orders
- Recovery of aerospace aftermarket
- Gradual return of fastener distributor orders
- Stabilization of IGT schedules
 - Additional share gains
- Restored pipe momentum
 - Depleted Chinese inventory
 - Orders in India
 - Chengde strategy
- Continued general industrial growth

FY11: Heading Aggressively Into Strong Second Half

Questions

