

# Financial Review

	2005	2004	2003
<b>Sales</b>	\$3.5 billion	\$2.7 billion	\$1.9 billion
<b>Segment Operating Profit</b>	\$532.7 million	\$167.1 million	\$19.9 million
<b>Net Income (Loss)</b>	\$359.8 million	\$19.8 million	\$(314.6) million
<b>Net Income (Loss) per Common Share</b>	\$3.57	\$0.22	\$(3.89)
<b>Gross Cost Reductions<sup>(1)</sup></b>	\$125 million	\$142 million	\$117 million
<b>Managed Working Capital as % of Annualized Sales<sup>(2)</sup></b>	30.3%	29.5%	30.7%
<b>Net Debt<sup>(3)</sup></b>	\$197.7 million	\$331.9 million	\$452.5 million
<b>Net Debt as % of Total Capitalization<sup>(4)</sup></b>	19.8%	43.8%	72.1%

(1) Before the effects of inflation.

(2) Represents accounts receivable and gross inventory less accounts payable, excluding LIFO inventory reserves and other allowances.  
Sales annualized for prior two months.

(3) Represents total debt less cash and cash equivalents.

(4) Total capitalization is comprised of Net Debt plus stockholders' equity.

## Accelerating Profitability Driven By:

### Strong Long-Cycle Markets

(Percent of ATI's 2005 Sales)

Aerospace	25%
Chemical Process Industry/Oil and Gas	16%
Electrical Energy	10%
Medical	4%
Defense	3%
<b>Total</b>	<b>58%</b>

### High-Value Products

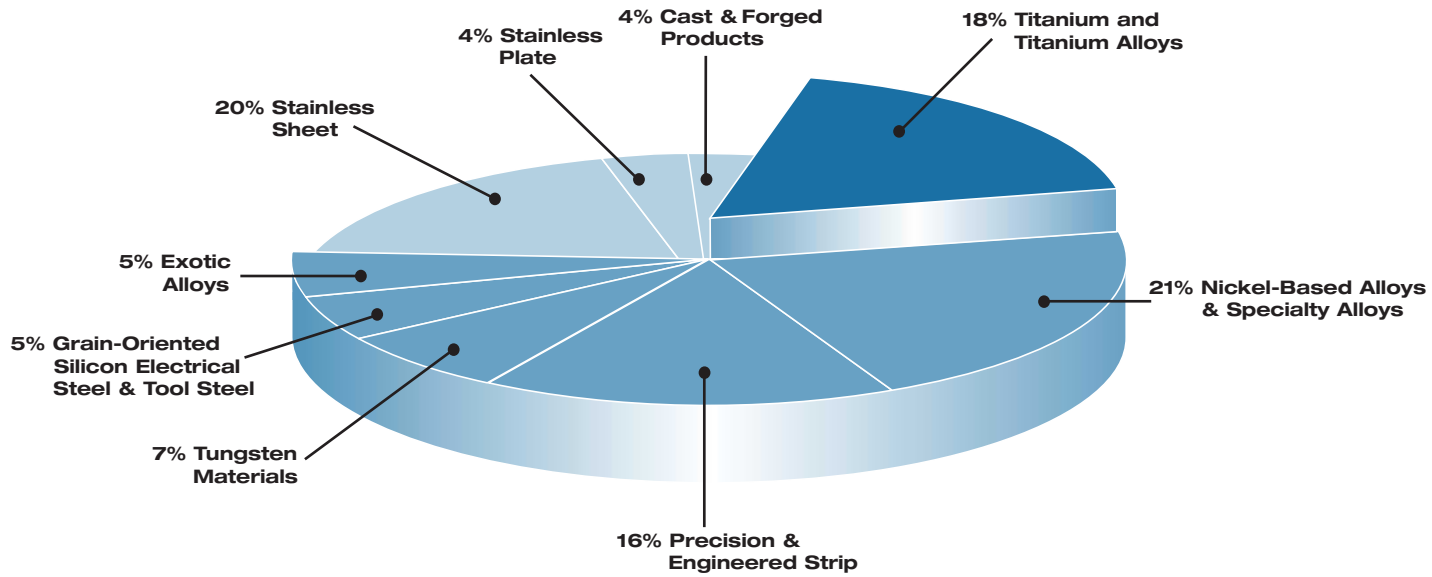
(Percent of ATI's 2005 Sales)

Nickel-Based Alloys and Specialty Alloys	21%
Titanium and Titanium Alloys	18%
Precision and Engineered Strip	16%
Tungsten Materials	7%
Exotic Alloys	5%
Silicon Electrical Steel and Tool Steel	5%
<b>Total</b>	<b>72%</b>

# Building the World's Best Specialty Metals Company™

**2005 Sales \$3.5 billion**

(Percent of ATI's 2005 Sales)



## 2005 Accelerating Profitability

