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ALLEGHENY TECHNOLOGIES INC

Form 11-K

June 22, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-12001

TDY INDUSTRIES, INC. PROFIT SHARING PLAN
FOR CERTAIN EMPLOYEES OF METALWORKING PRODUCTS

(Title of Plan)

ALLEGHENY TECHNOLOGIES INCORPORATED
(Name of Issuer of securities held pursuant to the Plan)

1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479
(Address of Plan and principal executive offices of Issuer)

Financial Statements
And Supplemental Schedule

TDY Industries, Inc. Profit Sharing Plan for
Certain Employees of Metalworking Products

Year ended December 31, 2003

(Unaudited)

TDY Industries, Inc. Profit Sharing Plan for
Certain Employees of Metalworking Products

Financial Statements

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and Supplemental Schedule

Year ended December 31, 2003

(Unaudited)

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TDY Industries, Inc. Profit Sharing Plan for Certain Employees of Metalworking Products

Statements of Net Assets Available for Benefits

(Unaudited)

	2003	DECEMBER 31
	-----	-----
Investments:		
Interest in Allegheny Technologies Incorporated Savings Plan Trust	\$1,478,444	\$1,19
Interest in registered investment companies	1,154,730	58
Interest in common collective trusts	106	32
Participant loans	275,518	24
Corporate common stocks	272,795	
Receivables	28	
	-----	-----
Net assets available for benefits	\$3,181,621	\$2,35
	=====	=====

See accompanying notes.

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TDY Industries, Inc. Profit Sharing Plan for Certain Employees of Metalworking Products

Statement of Changes in Net Assets Available for Benefits

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(Unaudited)

Year ended December 31, 2003

Contributions:

Employer
Employee

Investment income:

Net gain from interest in registered investment companies
Net gain from interest in Allegheny Technologies Incorporated Savings Plan Trust
Net gain from interest in common collective trusts
Interest income
Net unrealized/realized gain on corporate common stocks
Dividend income

Total investment gain

Distributions to participants
Transfers

Net increase in net assets available for benefits
Net assets available for benefits at beginning of year

Net assets available for benefits at end of year

See accompanying notes.

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TDY Industries, Inc. Profit Sharing Plan for
Certain Employees of Metalworking Products

Notes to Financial Statements

December 31, 2003

1. SIGNIFICANT ACCOUNTING POLICIES

Investments are valued as follows:

Bank and insurance investment contracts ("investment contracts") with varying contract rates and maturity dates are stated at contract value.

Although it is management's intention to hold the investment contracts in the Fixed Income Master Trust until maturity, certain investment contracts

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provide for adjustments to contract value for withdrawals made prior to maturity.

All other investments are stated at their net asset value, based on the quoted market prices of the securities held in such funds on applicable exchanges.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. DESCRIPTION OF THE PLAN

The TDY Industries, Inc. Profit Sharing Plan for Certain Employees of Metalworking Products (the Plan) is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The purpose of the Plan is to provide retirement benefits to eligible employees through company contributions and to encourage employee thrift by permitting eligible employees to defer a part of their compensation and contribute such deferral to the Plan. The Plan allows employees to contribute a portion of eligible wages each pay period through payroll deductions subject to Internal Revenue Code limitations. The respective employing companies, which are affiliates of Allegheny Technologies Incorporated (ATI, the Plan Sponsor), will match 100% up to the first 3% of employee contributions and 50% of the next 2% of employee contributions. In addition, profit sharing contributions can be made to participant accounts at the employing company's discretion. These contributions follow an age-weighted formula, based on the following schedule:

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TDY Industries, Inc. Profit Sharing Plan for
Certain Employees of Metalworking Products

Notes to Financial Statements (continued)

2. DESCRIPTION OF THE PLAN (CONTINUED)

CURRENT AGE	COMPANY CONTRIBUTION
Less than age 35	2.0%
35 - 39	2.5%
40 - 44	3.0%
45 - 49	3.5%
50 - 54	4.0%
55 - 59	4.5%
Age 60 or above	5.0%

The Plan allows participants to direct their contributions, and contributions made on their behalf, to any of the investment alternatives. Unless otherwise specified by the participant, contributions are made to the Fixed Income Master Trust. Separate accounts are maintained by the Plan Sponsor for each participating employee. Trustee fees and asset management fees charged by the Plan's trustee, Mellon Bank, N.A., for the administration of all funds are charged against net assets available for benefits of the respective fund.

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Certain other expenses of administering the Plan are paid by the Plan Sponsor.

Participants may make "in-service" and hardship withdrawals as outlined in the plan document.

Active employees can borrow up to 50% of their vested account balances minus any outstanding loans. The loan amounts are further limited to a minimum of \$1,000 and a maximum of \$50,000, and an employee can obtain no more than three loans at one time. Interest rates are determined based on commercially accepted criteria, and payment schedules vary based on the type of the loan. General-purpose loans are repaid over 12 to 60 months, and primary residence loans are repaid over 12 months up to 180 months. Payments are made by payroll deductions.

Further information about the Plan, including eligibility, vesting, contributions, and withdrawals, is contained in the plan documents. Copies of these documents are available from the Plan Sponsor.

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TDY Industries, Inc. Profit Sharing Plan for Certain Employees of Metalworking Products

Notes to Financial Statements (continued)

3. INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2003.

	2003 ----- (Unaudited)
Fixed Income Master Trust	\$770,160
Dreyfus Emerging Leaders Fund	713,104
Alliance Capital Fund	411,043
Harris Assoc - Oakmark Balanced Fund	180,873

Certain of the Plan's investments are in the Allegheny Technologies Incorporated Savings Plan Trust, which has three subsidiary Master Trusts; the Allegheny Technologies Disciplined Stock Fund Master Trust, the Alliance Equity Master Trust and the Fixed Income Master Trust, which are institutional separate accounts valued on a unitized trust basis (collectively, the "Master Trust"). The Master Trust was established for the investment of assets of the Plan, and several other ATI sponsored retirement plans. Each participating retirement plan has an undivided interest in the Master Trust. At December 31, 2003, the Plan's interest in the net assets of the Alliance Equity Master Trust, the Fixed Income Master Trust and the Allegheny Technologies Disciplined Stock Fund Master Trust were as follows:

	2003 ----- (Unaudited)
Alliance Equity Master Trust	1.15%

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Fixed Income Master Trust	0.40
Allegheny Technologies Disciplined Stock Fund Master Trust	0.38

Investment income and expenses are allocated to the Plan based upon its pro rata share in the net assets of the Master Trust.

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TDY Industries, Inc. Profit Sharing Plan for
Certain Employees of Metalworking Products

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The composition of the net assets of the Fixed Income Master Trust at December 31, 2003 was as follows:

	2003

Guaranteed investment contracts:	
Canada Life	\$ 2,757,412
GE Life and Annuity	9,583,804
Hartford Life Insurance Company	10,939,222
John Hancock Life Insurance Company	8,848,178
Monumental Life Insurance Company	2,353,862
New York Life Insurance Company	6,814,589
Ohio National Life	4,652,712
Pacific Mutual Life Insurance Company .	6,075,054
Principal Life	1,187,962
Protective Life Insurance Company	1,006,456
Pruco Pace Credit Enhanced	8,947,069
Security Life of Denver	6,737,205
United of Omaha	7,226,335

	77,129,860
Synthetic guaranteed investment contracts:	
Caisse des Depots et Consignations	1,999,995
MDA Monumental BGI Wrap	33,990,199
Bank of America	17,803,044
Rabobank	36,635,330
Union Bank of Switzerland	14,768,321

	105,196,889
Interest in common/collective trusts	8,515,369
Other	764,537

Total net assets	\$191,606,655
	=====

The Fixed Income Fund (the Fund) invests in guaranteed investment contracts

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(GICs) and actively managed structured or synthetic investment contracts (SICs). The GICs are promises by a bank or insurance company to repay principal plus a fixed rate of return through contract maturity. SICs differ from GICs in that there are specific assets supporting the SICs, and these assets are owned by the Master Trust. The bank or insurance company issues a wrapper contract that allows participant-directed transactions to be made at contract value. The assets supporting the SICs are comprised of government agency bonds, corporate bonds, asset-backed securities (ABOs) and collateralized mortgage obligations (CMOs) with fair values of \$107,926,162 at December 31, 2003. The contract value minus the market value of the wrapper contracts at December 31, 2003 was \$2,356,779.

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TDY Industries, Inc. Profit Sharing Plan for Certain Employees of Metalworking Products

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

Interest crediting rates on the GICs in the Fund are determined at the time of purchase. Interest crediting rates on the SICs are either: (1) set at the time of purchase for a fixed term and crediting rate; (2) set at the time of purchase for a fixed term and variable crediting rate or (3) set at the time of purchase and reset monthly within a "constant duration." A constant duration contract may specify a duration of 2.5 years and the crediting rate is adjusted monthly based upon quarterly rebalancing of eligible 2.5 year duration investment instruments at the time of each resetting; in effect the contract never matures. At December 31, 2003, the interest crediting rates for GICs and Fixed Maturity SICs ranged from 3.58% to 8.02%.

For the year ended December 31, 2003, the average annual yield for the investment contracts in the Fund was 5.31%. Fair value of the GICs was estimated by discounting the weighted average of the Fund's cash flows at the then-current interest crediting rate for a comparable maturity investment contract. Fair value for the SICs was estimated based on the fair value of each contract's supporting assets at December 31, 2003.

The composition of net assets of the Alliance Equity Master Trust at December 31, 2003 was as follows:

	2003

	(Unaudited)
Investment in registered investment companies:	
Alliance Equity Fund S.A. #4	\$ 35,666,427
Operating payables	(10,616)

Total net assets	\$ 35,655,811
	=====

The composition of net assets of the Allegheny Technologies Disciplined Stock Fund Master Trust at December 31, 2003 was as follows:

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	2003

	(Unaudited)
Corporate common stocks	\$ 77,259,404
Investment in common collective trusts	337,451
Receivables	283,072
Operating payables	(42,301)

Total net assets	\$ 77,837,626
	=====

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TDY Industries, Inc. Profit Sharing Plan for
Certain Employees of Metalworking Products

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The composition of the changes in net assets of the various master trusts is as follows:

	FIXED INCOME MASTER TRUST	ALLIANCE EQUITY MASTER TRUST	ALLEGHENY TECHNOLOGIES DISCIPLINED STOCK FUND MASTER TRUST
	-----	-----	-----
	YEAR ENDED DECEMBER 31, 2003		

	(Unaudited)		
Investment income:			
Interest income	\$ 9,953,790	\$ --	\$ 214,654
Net realized/unrealized gain on			
Corporate common stocks	--	--	13,699,382
Dividends	--	--	1,073,159
Net gain, registered			
investment companies	45,315	9,614,660	--
Net gain, common collective trusts	111,616	--	10,183
Administrative expenses	(201,917)	(72,409)	(660,982)
Transfers	888,462	(440,184)	8,571,888
	-----	-----	-----
Net increase	10,797,266	9,102,067	22,908,284
Total net assets at beginning of year	180,809,389	26,553,744	54,929,342
	-----	-----	-----
Total net assets at end of year	\$ 191,606,655	\$ 35,655,811	\$ 77,837,626
	=====	=====	=====

Interest, realized and unrealized gains and losses, and management fees from the master trusts are included in the net loss from interest in Allegheny Technologies Incorporated Savings Plan Trust on the statement of changes in net

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assets available for benefits.

4. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated July 25, 2003, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax-exempt.

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TDY Industries, Inc. Profit Sharing Plan for
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Notes to Financial Statements (continued)

5. PARTIES-IN-INTEREST

Dreyfus Corporation is the manager of the Dreyfus Mutual Funds that are offered as investment options under this Plan. Dreyfus Service Corporation is the funds' distributor. Dreyfus Corporation and Dreyfus Service Corporation are both wholly owned subsidiaries of Mellon Financial Corporation. Mellon Financial Corporation also owns Mellon Bank, N.A., the Trustee for this Plan. Therefore, transactions with these entities qualify as party-in-interest transactions. Trustee and investment fees paid during 2003 were based upon customary and reasonable rates for such services.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the employing companies have the right under the Plan to discontinue their contributions at any time and to terminate their respective participation in the Plan subject to the provisions of ERISA.

7. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risk such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

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TDY Industries, Inc. Profit Sharing Plan for
Certain Employees of Metalworking Products

EIN 25-1792394 Plan 040

Schedule H, Line 4i -- Schedule of Assets (Held at End of Year)

December 31, 2003

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INVESTMENT DESCRIPTION -----	UNITS/SHARES -----	CURRENT VALUE -----
Registered investment companies:		
Dreyfus Bond Market Index Fund*	780.642	\$ 8,087
Dreyfus Emerging Leaders Fund*	18,416.929	713,104
Artisan Funds - Midcap Fund	1,733.600	44,692
Dreyfus Premiere International Fund*	6,510.700	107,622
Harris Associates - Oakmark Balanced Fund	8,214.050	180,873
Hartford HLS - Midcap HLS	252.622	6,222
Lord Abbett Mid Cap Value Fund	377.971	7,117
Morgan Stanley - Small Co Growth Fund	4,115.335	44,487
PIMCO Funds - Total Ret Funds	117.738	1,261
Dreyfus Appreciation Fund*	507.201	18,838
Prudential Jennison Growth Fund, Class A Shares	1,717.232	22,427

		\$1,154,730
		=====
Common collective investment funds:		
Dreyfus Short Term Investment Fund*	105.800	\$ 106
		=====
Participant loans (5.00% to 10.5%)*		\$ 275,518
		=====
Corporate common stocks:		
Allegheny Technologies Incorporated common stock*		\$ 272,795
		=====

* Party-in-interest

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrators of the Plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ALLEGHENY TECHNOLOGIES INCORPORATED
TDY INDUSTRIES, INC. PROFIT SHARING PLAN
FOR CERTAIN EMPLOYEES OF
METALWORKING PRODUCTS

By: /s/ Richard J. Harshman

Date: June 22, 2004

Richard J. Harshman
Executive Vice President-Finance and
Chief Financial Officer
(Principal Financial Officer and Duly
Authorized Officer)