

ALLEGHENY TECHNOLOGIES INC
Form DEF 14A
March 28, 2003

SCHEDULE 14A
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Amendment No. 1)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material under sec.240.14a-12

ALLEGHENY TECHNOLOGIES, INC.
(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
 - (4) Proposed maximum aggregate value of transaction:
 - (5) Total fee paid:
- [] Fee paid previously with preliminary materials.
- [] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number,

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

[Allegheny Technologies Logo]

1000 Six PPG Place
Pittsburgh, PA 15222-5479

March 28, 2003

To our Stockholders:

We are pleased to invite you to attend the 2003 Annual Meeting of Stockholders. The meeting will be held at 11:00 a.m., Eastern Standard Time, on Thursday, May 8, 2003, in the Grand Ballroom, 17(th) Floor, Omni William Penn Hotel, 530 William Penn Place, Pittsburgh, Pennsylvania. The location is accessible to disabled persons.

This booklet includes the notice of meeting as well as the Company's proxy statement. Enclosed with this booklet are the following:

- Proxy or voting instruction card (including instructions for telephone and Internet voting)
- Proxy or voting instruction card return envelope (postage paid if mailed in the U.S.)

A copy of the Company's Annual Report for the year 2002 is also enclosed.

Please read the proxy statement and vote your shares as soon as possible. We encourage you to take advantage of voting by telephone or Internet as explained on the enclosed proxy or voting instruction card. Or, you may vote by completing, signing and returning your proxy or voting instruction card in the enclosed postage-paid envelope. It is important that you vote, whether you own a few or many shares and whether or not you plan to attend the meeting.

If you are a stockholder of record and plan to attend the meeting, please mark the appropriate box on the proxy card, or enter the appropriate information by telephone or Internet, so that we can send your admission ticket to you before the meeting.

We look forward to seeing as many of you as possible at the 2003 Annual Meeting.

Sincerely,

/s/ Robert P. Bozzone
Robert P. Bozzone
Chairman

/s/ James L. Murdy
James L. Murdy

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

President and Chief Executive Officer

ALLEGHENY TECHNOLOGIES INCORPORATED

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MEETING DATE: Thursday, May 8, 2003
TIME: 11:00 a.m., Eastern Standard Time
PLACE: Grand Ballroom
17(th) Floor
Omni William Penn Hotel
530 William Penn Place
Pittsburgh, Pennsylvania
RECORD DATE: March 10, 2003

AGENDA

- 1) Election of a class of four directors;
- 2) Ratification of the selection of independent accountants for 2003; and
- 3) Transaction of any other business properly brought before the meeting.

STOCKHOLDER LIST

A list of stockholders entitled to vote will be available during business hours for 10 days prior to the meeting at the Company's executive offices, 1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479, for examination by any stockholder for any legally valid purpose.

ADMISSION TO THE MEETING

Holders of Allegheny Technologies stock or their authorized representatives by proxy may attend the meeting. If you are a stockholder of record and you plan to attend the meeting, you may obtain an admission ticket from us by mail by checking the box on the proxy card indicating your planned attendance and returning the completed proxy card promptly, or by entering the appropriate information by telephone or Internet. If your shares are held through an intermediary such as a broker or a bank, you should present proof of your ownership at the meeting. Proof of ownership could include a proxy from your bank or broker or a copy of your account statement.

On behalf of the Board of Directors:

/s/ Jon D. Walton
Jon D. Walton
Senior Vice President,
Chief Legal and Administrative Officer

Dated: March 28, 2003

PROXY STATEMENT
TABLE OF CONTENTS

	PAGE

Voting Procedures.....	1
Board Composition and Practices.....	2
Item A on Proxy Card--Election of Directors.....	2
Committees of the Board of Directors.....	7
Report of Audit Committee.....	8
Director Compensation.....	10
Item B on Proxy Card--Ratification of Selection of Independent Accountants.....	11
Other Business.....	11
Stock Ownership Information.....	12
Section 16(a) Beneficial Ownership Reporting Compliance...	12
Five Percent Owners of Common Stock.....	12
Stock Ownership of Management.....	13
Report on Executive Compensation.....	14
Executive Compensation.....	17
Summary Compensation Table.....	17
Stock Options.....	19
Long-Term Incentive Program.....	20
Pension Plans.....	21
Employment and Change in Control Agreements.....	23
Cumulative Total Stockholder Return.....	24
Certain Transactions.....	25
Other Information.....	26
Annual Report on Form 10-K.....	26
2004 Annual Meeting and Stockholder Proposals.....	26
Proxy Solicitation.....	26
Electronic Access to Proxy Materials and Annual Report....	27

YOUR VOTE IS IMPORTANT

PLEASE VOTE AS SOON AS POSSIBLE. YOU CAN HELP ALLEGHENY TECHNOLOGIES REDUCE EXPENSES BY VOTING YOUR SHARES BY TELEPHONE OR INTERNET; YOUR PROXY CARD CONTAINS THE INSTRUCTIONS. OR, COMPLETE, SIGN AND DATE YOUR PROXY CARD AND RETURN IT AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

PROXY STATEMENT FOR
2003 ANNUAL MEETING OF STOCKHOLDERS

VOTING PROCEDURES

WHO MAY VOTE

If you were a stockholder on the books of the Company at the close of business on March 10, 2003, you may vote at the annual meeting. On that day, 80,643,779 shares of our Common Stock were outstanding.

Each share is entitled to one vote. In order to vote, you must either designate a proxy to vote on your behalf or attend the meeting and vote your shares in person. The Board of Directors requests your proxy so that your shares will count toward a quorum and be voted at the meeting.

METHODS OF VOTING

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

All stockholders may transmit their proxy votes by mail, telephone or Internet. Stockholders who hold their shares through a bank or broker can vote by telephone or Internet if their bank or broker offers those options.

- BY MAIL. Stockholders may complete, sign, date and return their proxy cards in the postage-paid envelope provided. If you sign, date and return your proxy card without indicating how you want to vote, your proxy will be voted as recommended by the Board of Directors.
- BY TELEPHONE OR INTERNET. Stockholders of record may vote by using the toll-free telephone number or Internet website address listed on the proxy card. Participants who hold stock in Company employee benefit plans also may vote by telephone or the Internet. Your proxy card contains a control number that will identify you as a stockholder when you vote by telephone or Internet. You may use the telephone and Internet procedures to vote your shares and to confirm that your votes were properly recorded. Please see your proxy card for specific instructions.

You can help the Company save money by electing to receive future proxy statements and annual reports over the Internet instead of by mail, as described in this Proxy Statement under the heading "Other Information--Electronic Access to Proxy Materials and Annual Report" on page 27.

REVOKING YOUR PROXY

You may change your mind and revoke your proxy at any time before it is voted at the meeting by:

- sending a written notice to revoke your proxy to the Corporate Secretary at the Company's executive office;
- transmitting a proxy dated later than your prior proxy either by mail, telephone or Internet; or
- attending the annual meeting and voting in person or by proxy (except for shares held in the employee plans described below).

VOTING BY EMPLOYEE BENEFIT PLAN PARTICIPANTS

Participants who hold Common Stock in one of the Company's defined contribution savings or retirement or stock ownership plans may tell the plan trustee how to vote the shares of Common Stock allocated to their accounts. You may either sign and return the voting instruction card provided by the plan or transmit your instructions by telephone or Internet. If you do not transmit instructions, your shares will be voted as the plan administrator directs or as otherwise provided in the plan.

VOTING SHARES HELD BY BROKERS, BANKS AND OTHER NOMINEES

If you hold your shares in a broker, bank or other nominee account, you are a "beneficial owner" of Company Common Stock. In order to vote your shares, you must give voting instructions to your broker, bank or other intermediary who is the "nominee holder" of your shares. The Company asks brokers, banks and other nominee holders to obtain voting instructions from the beneficial owners of shares that are registered in the nominee's name. Proxies that are transmitted by nominee holders on behalf of beneficial owners will count toward a quorum and will be voted as instructed by the nominee holder.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

QUORUM FOR MEETING

A majority of the outstanding shares, present or represented by a proxy, constitutes a quorum. A quorum is necessary to conduct business at the annual meeting. You are part of the quorum if you have voted by proxy. Abstentions, broker non-votes and votes withheld from director nominees count as "shares present" at the meeting for purposes of determining a quorum. Abstentions and broker non-votes do not count in the voting results. A broker non-vote occurs when a broker, bank or other nominee holder does not vote on a particular item because the nominee holder does not have discretionary authority to vote on that item and has not received instructions from the beneficial owner of the shares.

CONFIDENTIAL VOTING POLICY

The Company maintains a policy of keeping stockholder votes confidential.

BOARD COMPOSITION AND PRACTICES

INFORMATION AND MEETINGS

The Board of Directors directs the management of the business and affairs of the Company as provided in the by-laws of the Company and the laws of the State of Delaware. The Board is not involved in day-to-day operations. Members of the Board keep informed about the Company's business through discussions with the senior management and other officers and managers of the Company and its subsidiaries, by reviewing analyses and reports sent to them, and by participating in Board and committee meetings.

Regular meetings of the Board were held seven times in 2002. Special meetings are scheduled when required; one was held in 2002. In 2002, average attendance at Board and committee meetings was approximately 96%.

NUMBER OF DIRECTORS

The Board of Directors determines the number of directors. The Board currently consists of 13 members.

DIRECTOR TERMS

The directors are divided into three classes and the directors in each class generally serve for a three-year term unless the director is unable to serve due to death, retirement or disability. The term of one class of directors expires each year at the annual meeting of stockholders. The Board may fill a vacancy by electing a new director to the same class as the director being replaced. The Board may also create a new director position in any class and elect a director to hold the newly created position until the term of the class expires.

ITEM A ON PROXY CARD -- ELECTION OF DIRECTORS

The Board of Directors has nominated for election this year the class of four incumbent directors whose terms expire at the 2003 Annual Meeting. Mr. Fetterolf has advised the Company that he expects to retire from the Board at the 2004 Annual Meeting.

The four nominees who receive the highest number of votes cast will be elected. If you sign and return your proxy card, the individuals named as proxies on the card will vote your shares for the election of the four nominees named below, unless you provide other instructions. You may withhold authority for the

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

proxies to vote your shares on any or all of the nominees by following the instructions on your proxy card. If a nominee becomes unable to serve, the proxies will vote for a Board-designated substitute or the Board may reduce the number of directors.

Background information about the nominees and continuing directors follows.

2

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR
THE ELECTION OF THE FOUR NOMINEES.

NOMINEES - TERM TO EXPIRE AT THE 2006 ANNUAL MEETING (CLASS I)

DIANE C. CREEL

Age: 54

Director Since: 1996

ATI Board Committees: Committee on Governance, Personnel and Compensation Committee (Vice Chair) and Stock Incentive Award Subcommittee (Chair).

Principal Occupation: Chief Executive Officer and President of Earth Tech, an International consulting engineering firm and a unit of Tyco International Ltd.

Other Directorships: Board of the Corporations and Trusts which comprise the Fixed Income Funds of the American Funds Group, Goodrich Corporation and Teledyne Technologies Incorporated.

C. FRED FETTEROLF

Age: 74

Director Since: 1996

ATI Board Committees: Personnel and Compensation Committee, Stock Incentive Award Subcommittee and Technology Committee.

Recent Business Experience: Mr. Fetterolf was President and Chief Operating Officer Alcoa, Inc., prior to his retirement in 1991.

Other Directorship: Commonwealth Industries, Inc.

JAMES E. ROHR

Age: 54

Director Since: 1996

ATI Board Committees: Executive Committee, Audit Committee and Finance Committee.

Principal Occupation: Chairman and Chief Executive Officer, The PNC Financial Services Group, Inc.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Recent Business Experience: Mr. Rohr has been Chairman and Chief Executive Officer of The PNC Financial Services Group, Inc. since May 2001. He had served as President from 1992-2002 and assumed the position of Chief Executive Officer in May of 2000. He was named Chairman in May 2001.

Other Directorships: Blackrock, Inc., Equitable Resources, Inc. and The PNC Financial Services Group, Inc.

3

BRIAN P. SIMMONS

Age: 42

Director Since: 2002

ATI Board Committees: Finance Committee and Technology Committee.

Principal Occupation: Partner of Code Hennessy & Simmons LLC, a private investment firm.

CONTINUING DIRECTORS -- TERM TO EXPIRE AT 2004 ANNUAL MEETING (CLASS II)

PAUL S. BRENTLINGER

Age: 75

Director Since: 1996

ATI Board Committees: Audit Committee (Vice Chairman), Finance Committee (Vice Chairman) and Technology Committee (Chairman).

Principal Occupation: Partner in Morgenthaler, a venture capital group.

GEORGE J. KOURPIAS

Age: 70

Director Since: 2000

ATI Board Committee: Technology Committee.

Recent Business Experience: Mr. Kourpias was International President, International Association of Machinists and Aerospace Workers, prior to his retirement in 1997.

Other Directorship: Northwest Airlines Corporation.

JAMES L. MURDY

Age: 64

Director Since: 1999

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

ATI Board Committee: Executive Committee.

Principal Occupation: President and Chief Executive Officer, Allegheny Technologies Incorporated.

Recent Business Experience: Mr. Murdy served as Executive Vice President of the Company from September 2000 until July 2001 and as Executive Vice President, Finance and Administration and Chief Financial Officer from December 1996 to September 2000. He served as Senior Vice President, Finance and Chief Financial Officer from August 1996 to December 1999 having previously served as the Senior Vice President-Finance and Chief Financial Officer of Allegheny Ludlum Corporation.

Other Directorship: Federated Investors, Inc.

4

WILLIAM G. OUCHI

Age: 59

Director Since: 1996

ATI Board Committees: Audit Committee, Finance Committee, Personnel and Compensation Committee and Stock Incentive Award Subcommittee.

Principal Occupation: Sanford & Betty Sigoloff Professor in Corporate Renewal, The Anderson Graduate School of Management, University of California at Los Angeles.

Recent Business Experience: From 1998 to June 2000, Dr. Ouchi also served as the Vice Dean and Faculty Director of Executive Education Program at The Anderson Graduate School of Management, University of California at Los Angeles.

Other Directorships: First Fed Financial, Sempra Energy and Water Pik Technologies, Inc.

CONTINUING DIRECTORS - TERM TO EXPIRE AT 2005 ANNUAL MEETING (CLASS III)

ROBERT P. BOZZONE

Age: 69

Director Since: 1996

ATI Board Committee: Executive Committee (Chairman).

Recent Business Experience: Mr. Bozzone was Chairman, President and Chief Executive Officer of the Company from December 2000 until July 2001. He has served as Non-Executive Chairman since July 2001. He had served as Vice Chairman of the Company beginning

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

August 1996 and was Vice Chairman of Allegheny Ludlum Corporation from August 1994 to August 1996. Previously, he was President and Chief Executive Officer of Allegheny Ludlum Corporation.

Other Directorships:

DQE, Inc., whose principal subsidiary is Duquesne Light Company (Chairman of the Board), Teledyne Technologies Incorporated and Water Pik Technologies, Inc. (Chairman of the Board).

FRANK V. CAHOUET

Age:

70

Director Since:

1996

ATI Board Committees:

Audit Committee (Chairman), Finance Committee (Chairman) Committee on Governance and Technology Committee.

Recent Business Experience:

Mr. Cahouet was Chairman, President and Chief Executive Officer of Mellon Financial Corporation, a bank holding company, and Mellon Bank, N.A., a banking corporation, until his retirement in December 1998.

Other Directorships:

Avery Dennison Corporation, Korn/Ferry International, Saint-Gobain Corporation and Teledyne Technologies Incorporated.

5

JAMES C. DIGGS

Age:

54

Director Since:

2001

ATI Board Committees:

Committee on Governance and Technology Committee.

Principal Occupation:

Senior Vice President and General Counsel of PPG Industries, Inc., a producer of coatings, glass and chemicals, since 1997.

Recent Business Experience:

Prior to 1997, Mr. Diggs was Vice President and Assistant General Counsel of TRW, Inc.

W. CRAIG MCCLELLAND

Age:

68

Director Since:

1996

ATI Board Committees:

Committee on Governance (Chairman), Personnel and Compensation Committee, Stock Incentive Award Subcommittee and Technology Committee.

Recent Business Experience:

Mr. McClelland was Chairman and Chief Executive Officer of Union Camp Corporation, a manufacturer of paper products prior to his retirement in 1999.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Other Directorships: International Paper Company and Water Pik Technologies, Inc.

CHARLES J. QUEENAN, JR.

Age: 72

Director Since: 1996

ATI Board Committees: Executive Committee and Personnel and Compensation Committee (Chairman).

Principal Occupation: Senior Counsel of Kirkpatrick & Lockhart LLP, attorneys-at-law.

Recent Business Experience: Prior to January 1996, Mr. Queenan was a partner of Kirkpatrick & Lockhart LLP.

Other Directorships: Crane Co., Teledyne Technologies Incorporated and Water Pik Technologies, Inc.

6

COMMITTEES OF THE BOARD OF DIRECTORS

STANDING COMMITTEES

The Board of Directors has seven standing committees--Executive, Audit, Finance, Governance, Personnel and Compensation, Stock Incentive Award Subcommittee of the Personnel and Compensation Committee, and Technology--each of which has a written charter.

EXECUTIVE COMMITTEE

The Executive Committee has broad powers to act on behalf of the Board of Directors. In practice, the Executive Committee acts when emergency issues or scheduling problems make it difficult to convene a meeting of all directors and on specific matters referred to the Committee by the Board of Directors. The Executive Committee reports all actions it takes at the next meeting of the Board.

AUDIT COMMITTEE

The Audit Committee is comprised of four members who, under the current rules of the New York Stock Exchange, are independent. The Committee operates under a written charter adopted by the Board of Directors. The primary functions of the Audit Committee are to:

- Recommend the appointment of the independent accountants to the Board of Directors, considering the independence and effectiveness of the independent accountants;
- Review the scope of the annual audit plan, proposed fees and other activities of the independent accountants and the audit plan of the internal auditors;
- Review with management and the independent accountants, upon completion of the annual audit, the financial statements and related reports to be filed with the Securities and Exchange Commission;

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

- Provide the report of the Committee annually to the Board of Directors for inclusion in the Company's annual meeting proxy statement; and
- Evaluate the Company's internal and external audit efforts, accounting and financial controls and business ethics policies and practices by reviewing reports by, and attending meetings with, the internal and external accountants and management.

In addition, prior to the issuance of the Company's release of quarterly earnings, the Committee reviews with the independent accountants and management of the Company whether any matters are required to be communicated to the Committee by the independent accountants under generally accepted auditing standards.

The independent accountants and the internal auditors have full access to the Committee and meet with the Committee, with, and on a routine basis without, management being present, to discuss all appropriate matters. The Committee met separately six times in 2002 and jointly with the Finance Committee four times in 2002. The Audit Committee report begins on page 8.

FINANCE COMMITTEE

The Finance Committee makes recommendations to the Board of Directors regarding:

- Company debt and credit arrangements and other major financial proposals;
- Company relationships with banks and other financial institutions; and
- Policies with respect to dividends, capital structure and authorized stock.

In addition, the Committee acts as named fiduciary of the Company's defined benefit and defined contribution pension plans.

The Committee met separately four times in 2002 and met jointly with the Audit Committee four times in 2002.

COMMITTEE ON GOVERNANCE

The Committee on Governance administers the Company's compensation programs for directors. In addition, the Committee reviews, evaluates and makes recommendations to the Board of Directors regarding:

- Candidates for nomination as new Board members and nomination of incumbent directors as continuing Board members when their terms expire;
- Assignments to Board committees and appointments of committee chairs;

7

- The composition, organization and operations of the Board, including the orientation of new members and the flow of information; and
- Policies on Board tenure and the retirement or resignation of incumbent directors.

The Committee met seven times in 2002.

Recommendations by stockholders of potential nominees must be directed to the Corporate Secretary in the manner specified in the Company's certificate of incorporation. See "2004 Annual Meeting and Stockholder Proposals" on page 26.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

PERSONNEL AND COMPENSATION COMMITTEE

The Personnel and Compensation Committee, together with the Stock Incentive Award Subcommittee (together referred to as the "Committee"), establishes, and annually reassesses, the executive compensation program. Their Report on Executive Compensation begins on page 14.

The Committee administers the Company's incentive compensation plans, except to the extent the Stock Incentive Award Subcommittee administers the plans. The Committee also reviews, evaluates and makes recommendations to the Stock Incentive Award Subcommittee and/or the Board of Directors, and consults with the Chief Executive Officer, as appropriate, regarding:

- Executive management organization matters;
- Compensation and benefits for officers who also serve as directors of the Company;
- Compensation and benefit policies and procedures relating to officers who are statutory insiders;
- Policy matters relating to employee benefits and employee benefit plans;
- Management succession plans generally as well as management succession plans applicable to emergency situations; and
- Executive development programs, including consultation with the Chief Executive Officer regarding candidates for senior executive positions.

None of the members of the Personnel and Compensation Committee is an employee of the Company and each member is an "outside director" for the purposes of the corporate compensation provisions contained in Section 162(m) of the Internal Revenue Code. The Committee met eight times in 2002.

STOCK INCENTIVE AWARD SUBCOMMITTEE

The Stock Incentive Award Subcommittee is responsible for administering and making awards under the Company's stock-based incentive compensation programs for officers, referred to as "statutory insiders," who are required to file reports under Section 16 of the Securities Exchange Act of 1934.

None of the members of the Subcommittee is an employee of the Company. Each member is a "non-employee director" for the purposes of Rule 16b-3 of the Securities and Exchange Commission and an "outside director" for the purposes of the compensation provisions of the Internal Revenue Code. The Subcommittee met six times in 2002.

TECHNOLOGY COMMITTEE

The Technology Committee assesses and makes recommendations to the Board of Directors regarding:

- The impact of technologies that could materially affect the Company's success;
- The Company's technical capabilities; and
- Priorities, asset deployment and other matters related to the Company's technical activities.

The Committee met once in 2002.

REPORT OF AUDIT COMMITTEE

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

The following is the report of the Audit Committee with respect to the Company's audited financial statements for the year ended December 31, 2002, which include the consolidated balance sheets of the Company as of December 31, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2002, and the notes thereto (collectively, the "Financial Statements").

Management is responsible for the Company's internal controls and financial reporting process. Ernst & Young LLP ("Ernst & Young"), the Company's independent accountants, are

8

responsible for performing an independent audit of the Company's Financial Statements in accordance with generally accepted auditing standards and for issuing a report. One of the Audit Committee's responsibilities is to monitor and oversee these processes.

The Audit Committee has reviewed, met and held discussions with the Company's management, internal auditors, and the independent accountants regarding the Financial Statements, including a discussion of quality, not just acceptability, of the Company's accounting principles, and Ernst & Young's judgment regarding these matters.

The Audit Committee discussed with the Company's internal auditors and independent accountants the overall scope and plans for their respective audits. The Audit Committee met with the internal auditors and independent accountants, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Audit Committee has also discussed with Ernst & Young matters required to be discussed by applicable auditing standards.

The Audit Committee has received the written disclosures and the letter from Ernst & Young required by the Independence Standards Board and has also considered the compatibility of non-audit services with Ernst & Young's independence. This information was also discussed with Ernst & Young.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Financial Statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002 as filed with the Securities and Exchange Commission.

SUBMITTED BY:

AUDIT COMMITTEE, whose members are:
Frank V. Cahouet, Chairman
Paul S. Brentlinger, Vice Chairman
William G. Ouchi
James E. Rohr

9

DIRECTOR COMPENSATION

Directors who are not employees of the Company are paid an annual retainer fee of \$28,000. Directors also are paid \$1,500 for each Board meeting and \$1,000 for each committee meeting attended. Each non-employee chairman of a committee is

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

paid an annual fee of \$5,000. Directors who are employees of the Company do not receive any compensation for their services on the Board or its committees. Mr. Bozzone's compensation as Chairman is a monthly cash retainer of \$11,600 in lieu of Board retainer and meeting fees.

The non-employee directors also participate in the 1996 Non-Employee Director Stock Compensation Plan ("Director Stock Plan"). The purpose of the Director Stock Plan is to provide non-employee directors with an increased personal interest in the Company's performance.

Under the Director Stock Plan, options to purchase 1,000 shares of Common Stock are granted to non-employee directors at the conclusion of each annual meeting of stockholders. The purchase price of the Common Stock covered by these annual options is the fair market value of the Common Stock on the date the option is granted.

The Director Stock Plan also provides that each non-employee director is to receive at least 25% of the annual retainer fee in the form of Common Stock and/or options to acquire Common Stock. Each director may elect a greater percentage. The directors also may elect to receive all or a percentage of their meeting fees in the form of Common Stock and/or options to acquire Common Stock. Options granted under this part of the Director Stock Plan are intended to provide each electing director with options having an exercise value on the date of grant equal to the foregone fees; that is, the difference between the exercise price and the market price of the underlying shares of Common Stock on the date of grant is intended to be equal to the foregone fees.

In order to continue to attract and retain non-employee directors of exceptional ability and experience, the Company also maintains a Fee Continuation Plan for Non-Employee Directors. Under the Plan, benefits are payable to a person who serves as a non-employee director for at least five years. The annual benefit equals the retainer fee in effect when the director retires from the Board. Benefits are paid for each year of the participant's credited service as a director (as defined in the Plan) up to a maximum of ten years.

10

ITEM B ON PROXY CARD -- RATIFICATION OF SELECTION OF INDEPENDENT ACCOUNTANTS

Ernst & Young has served as independent accountants for the Company since August 15, 1996 and served as independent accountants for Allegheny Ludlum Corporation since 1980. The Board of Directors believes that Ernst & Young is knowledgeable about the Company's operations and accounting practices and is well qualified to act in the capacity of independent accountants.

AUDIT FEES

Ernst & Young has billed the Company \$1,570,000 in the aggregate, for professional services rendered by them for the audit of the Company's annual financial statements for the Company's 2002 fiscal year, including the reviews of the interim financial statements included in the Company's Quarterly Reports on Form 10-Q for the Company's 2002 fiscal year, foreign statutory audits (\$274,000) and the audits of the Company's employee benefit plans (\$257,000).

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

During 2002, Ernst & Young did not provide the Company with any professional services related to financial information systems design and implementation as described in Rule 2-01 of Regulation S-X.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

ALL OTHER FEES

Ernst & Young has billed the Company \$345,000, in the aggregate, for professional services rendered in 2002 by Ernst & Young for all other services, principally tax-related services.

In making its recommendation to ratify the appointment of Ernst & Young as the Company's independent accountants for the fiscal year ending December 31, 2003, the Audit Committee has considered whether the non-audit services provided by Ernst & Young are compatible with maintaining the independence of Ernst & Young.

For this proposal to be adopted, a majority of the votes cast must be voted for approval. If the stockholders do not ratify the selection of Ernst & Young, the Board will reconsider the appointment of independent accountants. It is expected that representatives of Ernst & Young will be present at the meeting and will have an opportunity to make a statement and respond to appropriate questions.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE
FOR RATIFICATION OF THE SELECTION OF
THE INDEPENDENT ACCOUNTANTS.

OTHER BUSINESS

The Company knows of no business that may be presented for consideration at the meeting other than the items indicated in the Notice of Annual Meeting. If other matters are properly presented at the meeting, the persons designated as proxies on your proxy card may vote at their discretion.

Following adjournment of the formal business meeting, James L. Murdy, President and Chief Executive Officer, will address the meeting and will hold a general discussion period during which the stockholders will have an opportunity to ask questions about the Company and its business.

11

STOCK OWNERSHIP INFORMATION

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The rules of the Securities and Exchange Commission require the Company to disclose late filings of reports of stock ownership (and changes in stock ownership) by its directors and statutory insiders. To the best of the Company's knowledge, all filings by these individuals were made on a timely basis in 2002.

FIVE PERCENT OWNERS OF COMMON STOCK

As of February 15, 2003, the Company had received notice that the individuals and entities listed in the following table are beneficial owners of five percent or more of Company Common Stock. In general, "beneficial ownership" includes those shares a person has the power to vote or transfer, and options to acquire Common Stock that are exercisable currently or within 60 days.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
--------------------------------------	--	---------------------

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Richard P. Simmons..... Birchmere Quaker Hollow Road Sewickley, PA 15143	7,657,429 (a)	9.5%
The Singleton Group LLC..... 335 North Maple Drive, Suite 177 Beverly Hills, CA 90210	5,775,000 (b)	7.2%
Capital Group International, Inc..... 11100 Santa Monica Boulevard Los Angeles, CA 90025	4,040,010 (c)	5.0%

(a) Based upon a Schedule 13D/A filing made by Mr. Simmons on February 6, 2002, as of December 31, 2001 Mr. Simmons beneficially owned all of these shares. The amount shown includes options to acquire 171,584 shares which are exercisable within 60 days of February 15, 2003 under Company incentive stock plans.

(b) As of December 31, 2000, The Singleton Group LLC, Caroline W. Singleton, William W. Singleton and Donald E. Rugg held shared voting and dispositive power with respect to 5,775,000 shares as indicated in Schedule 13G, as amended, filed under the Securities Exchange Act of 1934 (the "Exchange Act") by Caroline W. Singleton. As indicated in a Schedule 13G filed under the Exchange Act in April 2000, Donald E. Rugg also held sole voting and dispositive power with respect to 158 shares.

(c) Based upon a Schedule 13G filing made by Capital Group International, Inc. on February 11, 2003, as of December 31, 2002, it beneficially owned 4,040,010 shares of Common Stock and had the sole power to direct the voting and disposition of all of these shares.

12

STOCK OWNERSHIP OF MANAGEMENT

The following table shows the shares of Common Stock reported to the Company as beneficially owned as of March 14, 2003 by the nominees for director, the continuing directors and each officer named in the Summary Compensation Table.

Beneficial Owner	Shares Beneficially Owned	Shares That May Be Acquired Within 60 Days	Total Shares
Robert P. Bozzone.....	2,703,022	29,605	2,732,627
Paul S. Brentlinger.....	11,208	4,268	15,476
Frank V. Cahouet.....	96	48,004	48,100
Diane C. Creel.....	2,715	20,287	23,002
James C. Diggs.....	1,188	1,000	2,188
C. Fred Fetterolf.....	13,080	4,268	17,348
Richard J. Harshman.....	129,802	46,800	176,602
Douglas A. Kittenbrink.....	149,609	65,994	215,603
George J. Kourpias.....	1,596	2,000	3,596
W. Craig McClelland.....	15,046	4,268	19,314
James L. Murdy.....	366,030	117,818	483,848
William G. Ouchi.....	20,481	14,578	35,059
Charles J. Queenan, Jr.....	356,906	4,268	361,174

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

James E. Rohr.....	7,149	4,268	11,417
Jack W. Shilling.....	180,845	72,551	253,396
Brian P. Simmons.....	9,661	0	9,661
Jon D. Walton.....	198,397	99,313	297,710
All directors, named officers and other statutory insiders as a group (18).....	4,242,004	603,481	4,845,485

(1) The percentage of outstanding shares is 6% for the group. Except for Mr. Bozzone, who holds 3.4% of the outstanding shares, the percentage of outstanding shares held by each director and named officer in the table is less than 1%.

The table includes shares held as of March 4, 2003 in the Company's 401(k) plans for the accounts of Messrs. Bozzone, Kittenbrink, Murdy, Shilling and Walton and shares held jointly with the named individuals' spouses. The table also includes the following shares where beneficial ownership is disclaimed: 120,000 shares owned by Mr. Bozzone's wife; 100 shares owned by Mr. Brentlinger's wife; 1,300 shares owned by the Fetterolf Family Foundation; 1,534 shares owned by Mr. Kittenbrink's children; 27,050 shares owned by Mr. Queenan's wife; 3,700 shares owned by Mr. Walton's wife; and 243 shares held by the spouses of other statutory insiders.

13

REPORT ON EXECUTIVE COMPENSATION

The Personnel and Compensation Committee and Stock Incentive Award Subcommittee furnish this report on executive compensation. In discussions of stock awards to the named officers in the Summary Compensation Table and other statutory insiders, the term "Committee" refers to the Stock Incentive Award Subcommittee.

EXECUTIVE COMPENSATION CHARACTERISTICS

Total executive compensation at the Company has the following characteristics:

- It is to be competitive in the aggregate, using a set of business and labor market competitors, including data supplied by Hewitt Associates, a nationally recognized executive compensation consulting firm, to gauge the competitive marketplace. Competitive for these purposes is a target base compensation at the 50th percentile (median) for comparable positions.
- It is to be performance oriented, with a substantial portion of total compensation tied to internal and external measures of Company performance. Superior performance should increase total compensation opportunities to well above the 50th percentile level.
- It is to promote long-term careers with the Company.

COMPENSATION POLICIES AND PROGRAMS

Consistent with the characteristics outlined above, the Committee has adopted the following policies and programs:

Base salary for all management positions will be at the industry or market median for comparable positions unless there are sound reasons for significant variations. Judgment is the guiding factor in base salary determinations, as well as other compensation issues.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Short-term incentives under the Annual Incentive Plan ("AIP") are designed to provide a competitive (50th percentile) award, based on the achievement of predefined performance measures. Under the general provisions of the AIP, up to 200% of the target award is paid in the case of significant overachievement. The majority of the award is based on financial performance achievement and is also tied to the achievement of safety and other individual performance goals. Discretionary adjustments of plus or minus 20% are allowed, so long as aggregate adjustments do not exceed plus 5%. Total overall payout awards under the plan pool in 2002 were limited to the greater of 5% of operating profit or 5% of operating cash flow.

For 2002, 25% of the award for AIP participants was based on the achievement of predetermined levels of operating income, 30% was based on inventory reductions (turns), 25% on cost reductions, and 10% was tied to the achievement of specific individual objectives. Given the importance the Company placed on safety, 10% of the total award was based on pre-established levels of safety improvement.

For 2002, the officers named in the Summary Compensation Table on page 17 achieved the pre-established levels of targeted performance under the AIP. In light of the difficult year experienced by the Company, however, the Committee determined not to make AIP awards to any of the officers named in the Summary Compensation Table and certain other top-level corporate and operating Company executives. Other participants received AIP awards for 2002, reduced by the Committee by 20% from actual levels of achievement because of the difficult year experienced by the Company. Awards ranged from 0% to 75% of the 2002 target incentives based on the targets and levels of achievement varied by business unit and at the Company level.

Long-term incentives at the Company consist of the following components:

(1) Stock Options -- Historically, stock options have been awarded annually to key employees approved by the Committee. The amount of the award generally depends on the participant's salary grade and is at levels generally perceived to be competitive. The Committee granted options periodically over the year for key employees. In October 2002, the Committee made a special grant of options under the existing Incentive Plan. Because the Black-

14

Scholes value of options granted to date in 2002 was less than competitive levels, the increase was determined to be necessary in order to bring the Company's levels of option grants to a competitive level. The Committee anticipates making additional grants during 2003.

(2) Total Shareholder Return Incentive Compensation Program -- The Total Shareholder Return Incentive Compensation Program ("TSRP") was instituted in 2001 to replace the Performance Share Program ("PSP"). Under the TSRP, participants receive awards of performance share units that are earned based on a comparison of the Company's total shareholder return ("TSR") for a three-year award period with the TSR during such period of a peer group of companies selected by the Board of Directors. The peer group is not the same as the peer group indexes used in the performance graph on page 24. For each year, the Committee determines whether there will be a new TSRP award period starting in that year. If a new award period is established, the Committee selects the eligible participants, establishes a target number of performance shares for each participant and constructs the peer group of companies for that award period. Awards under the TSRP range from 0% to 200% of the targeted number of shares, depending on the percentile rank of the Company's TSR for the award period as compared to the TSR of the peer group of companies for the same period. Certificates for the number of earned shares of Common Stock, if any, are issued to the participants after the end of the award period.

(3) Stock Acquisition and Retention Program -- The Stock Acquisition and Retention Program ("SARP") was designed to encourage key executives to acquire and retain Common Stock. Under the SARP, prior to the effective date of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), executives selected by the Committee were entitled to purchase shares or designate already-owned shares of Common Stock (up to a maximum number of shares having a market price not to exceed the participant's base salary) that the Company agreed to match with a grant of restricted Common Stock equal to 50% to 100% of the number of shares purchased or designated by the participant. The Company loaned a participant the funds to purchase shares under the SARP at an interest rate equal to the minimum rate necessary to avoid imputed interest income under the federal income tax rules. In light of Sarbanes-Oxley, the Committee determined to terminate the SARP and permit no loans to be extended thereunder. Loans and designations outstanding at the effective date of Sarbanes-Oxley remain in effect on the same terms and conditions as in effect prior to the effective date of Sarbanes-Oxley.

The Committee was advised by its consultant that, due to the termination of SARP, the long-term compensation portion of the Company's compensation program was no longer competitive. The Committee directed that the estimated value of SARP participation be determined and that a program be implemented to provide the value of the SARP portion of the long-term compensation program. The Committee decided upon a transition program consisting of three components: stock options, cash payments and restricted stock. The value of the aggregate of such components of the replacement program is intended to be approximately equal to the value of the terminated SARP participation. The Committee views the program implemented to replace the terminated SARP to be transitional in nature and intends to continue to evaluate appropriate replacement long-term incentive compensation programs.

(4) Performance Share Program -- The Performance Share Program ("PSP") was replaced by the Total Shareholder Return Incentive Compensation Program. The PSP provided grants of performance share units that could be earned if specified performance objectives were met over a multi-year cycle, which generally lasted three years. At the beginning of each cycle, the Committee selected the eligible participants and approved the performance objectives. For statutory insiders and other corporate executives, performance was generally measured at the Company level. The amount of the award opportunity generally depended on the participant's salary grade at the beginning of the award period. At the time the award opportunity was set, the awards were denominated two-thirds in shares of Common Stock (based on the value of the shares immediately prior to the beginning of the award period) and one-third in cash. Awards under the PSP ranged from 0% to 200% of the target

15

incentive opportunity depending on the extent to which the performance goals were achieved. Awards were generally paid to participants in three annual installments after the conclusion of the performance cycle so long as they remained Company employees (with exceptions for retirement, disability and death). The final installment award payment to participants of the now-terminated PSP was made in 2002.

COMPENSATION OF CHIEF EXECUTIVE OFFICER -- JAMES L. MURDY

On July 1, 2001, James L. Murdy was selected to serve as the Company's President and Chief Executive Officer. In July 2001, the Committee, after consultation with Hewitt Associates, took action regarding the compensation of Mr. Murdy consistent with the compensation program, including the performance-based components of the program that the Committee had adopted for the Company's chief executive officer. Mr. Murdy's annual base salary was established at \$650,000, and he participates in the Company's compensation programs, including the AIP

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

and TSRP. In 2002, Mr. Murdy was granted options to purchase 180,000 shares of Company Common Stock. The Committee believes, based upon the advice of consultants, that the compensation program established for the Company's chief executive officer is competitive and appropriate.

DEDUCTIBILITY OF EXECUTIVE COMPENSATION

Section 162(a) of the Internal Revenue Code imposes limits on tax deductions for annual compensation paid to a chief executive officer and other highly compensated officers unless the compensation qualifies as "performance-based" or is otherwise exempt under the law. The Company's Incentive Plan is intended to meet the deductibility requirements of the regulations promulgated under Section 162(m). The Committee, however, may determine in any year that it would be in the best interests of the Company for certain awards to be paid under the Incentive Plan that would not satisfy the requirements of Section 162(m) for deductibility.

SUBMITTED BY:

PERSONNEL AND COMPENSATION

COMMITTEE, whose members are:
Charles J. Queenan, Jr., Chairman
Diane C. Creel, Vice Chair
C. Fred Fetterolf
W. Craig McClelland
William G. Ouchi

STOCK INCENTIVE AWARD

SUBCOMMITTEE, whose members are:
Diane C. Creel, Chair
C. Fred Fetterolf
W. Craig McClelland
William G. Ouchi

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of the Personnel and Compensation Committee or Stock Incentive Award Subcommittee is an officer or employee of the Company. Mr. Queenan serves as senior counsel to a law firm that provided services to the Company during 2002 and 2003. Mr. Queenan does not participate in that firm's earnings or profits. No other member of the Committee has a current or prior relationship, and no officer who is a statutory insider of the Company has a relationship to any other company required to be described under the Securities and Exchange Commission rules relating to disclosure of executive compensation.

16

EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following Summary Compensation Table sets forth information about the compensation paid by the Company to each of the five most highly compensated officers required to file reports under Section 16 of the Securities Exchange Act of 1934, as of December 31, 2002 (the "named officers").

Annual Compensation

Long-Term Compensation

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Name and Principal Positions	Year	Salary (\$)(1)	Bonus (\$)(2)	Other Annual Compensation (\$)(3)	Awards	
					Restricted Stock Award(\$)(4)	Securities Underlying Options (Shares)(5)
James L. Murdy President and Chief Executive Officer	2002	585,000	0	54,332	325,000	180,000
	2001	530,000	350,000	23,519	180,000	35,000
	2000	406,667	326,019	21,902	585,953	5,000
Jack W. Shilling Executive Vice President, Strategic Initiatives and Technology and Chief Technology Officer	2002	400,000	0	62,165	400,000	60,000
	2001	365,000	200,000	27,192	52,487	15,000
	2000	322,500	238,550	20,566	473,248	5,000
Douglas A. Kittenbrink Executive Vice President, Chief Operating Officer	2002	350,000	0	57,073	268,000	60,000
	2001	312,500	175,000	27,910	56,245	15,000
	2000	241,383	198,792	9,166	361,861	5,000
Jon D. Walton Senior Vice President, Chief Legal and Administrative Officer	2002	340,000	0	60,478	340,000	60,000
	2001	320,000	175,000	22,306	29,962	15,000
	2000	287,500	238,550	21,573	431,358	5,000
Richard J. Harshman Senior Vice President-Finance and Chief Financial Officer	2002	300,000	0	58,160	300,000	60,000
	2001	257,500	125,000	20,389	22,462	12,500

- (1) Includes cash compensation deferred pursuant to the savings portion of the Company's Retirement Savings Plan, a qualified defined contribution plan under Section 401(a) of the Internal Revenue Code. In October 2001, in view of the difficult business and economic conditions impacting the Company, Mr. Murdy voluntarily suspended payment of 20% of his base salary. That compensation rate was restored as of July 1, 2002.
- (2) Includes payments under the Company's Annual Incentive Plan. For 2002, the named officers achieved the pre-established levels of targeted performance under the AIP. In light of the difficult year experienced by the Company, however, the Committee determined not to make AIP awards to any of the named officers.
- (3) In accordance with applicable regulations, for 2000 and 2001, the amounts do not include perquisites and other personal benefits received individually by the named officers because the aggregate value of such benefits did not exceed the lesser of \$50,000 or 10% of the total annual salary and bonus for the named officers.
- (4) Issued prior to the effective date of Sarbanes-Oxley. Represents the market price on the award date of shares of restricted Common Stock awarded to the named officers under the Company's SARP. Dividends are paid on the restricted shares. The total number of restricted shares held by the named officers on December 31, 2002 and closing market price of such shares (if unrestricted) on the last business day of 2002 were Mr. Murdy, 80,683 shares; (\$502,655); Mr. Shilling, 65,200 shares (\$406,196); Mr. Kittenbrink, 50,230 shares, (\$312,933); Mr. Walton, 58,369 shares (\$363,639); and Mr. Harshman, 45,439 shares (\$283,085).

- (5) Reflects options granted under the Company's Incentive Plan. The amount shown represents the number of shares the officer could purchase by exercising the options.
- (6) The amounts shown include cash and the closing market price of Common Stock distributed under the PSP which was discontinued beginning in 2001. For 2002, the final installment payments were made under the Company's PSP for the 1999-2000 award period.
- (7) Includes the cash portion of the transition program adopted to prospectively replace SARP, the long-term incentive plan discontinued in light of Sarbanes-Oxley which amounts were: Mr. Murdy, \$292,000; Mr. Shilling, \$120,000, Mr. Kittenbrink, \$87,500; Mr. Walton, \$187,000 and Mr. Harshman, \$60,000. Includes annual accruals by the Company for possible future payments to the named officers under the Supplemental Pension Plan described under "Pension Plans" on page 22. For 2002, the amounts accrued were: Mr. Murdy, \$290,649; Mr. Shilling, \$133,349; Mr. Kittenbrink, \$30,737; Mr. Walton, \$116,010; and Mr. Harshman, \$24,638. Includes 2002 Company contributions pursuant to the retirement portion of the Company's Retirement Savings Plan to the named officers in the amount of \$13,520 each. In 2002, the Company did not make any contributions to the savings portion of the Company's Retirement Savings Plan to the named officers. Includes 2002 Company contributions to the Benefit Restoration Plan, as follows: Mr. Murdy, \$87,000; Mr. Shilling, \$50,000; Mr. Kittenbrink, \$37,604; Mr. Walton, \$41,075; and Mr. Harshman, \$31,625. Under the Benefit Restoration Plan, the Company supplements the payments received by participants under the pension provisions described under "Pension Plans" on page 21 and the Retirement Savings Plan by making payments to or accruing benefits on behalf of the participants in amounts that are equivalent to the portion of the payments or benefits that cannot be paid or accrued under such plans due to limitations imposed by the Internal Revenue Code.

STOCK OPTIONS

The first table sets forth information regarding options granted during 2002 under the Company's Incentive Plan. As of March 14, 2003, the market value of the common stock issuable upon exercise of all options reflected in the table was significantly less than the exercise prices of the options.

The second table indicates the named officers who exercised stock options during 2002 and sets forth the unexercised options held at December 31, 2002.

OPTION GRANTS IN LAST FISCAL YEAR

Individual Grants(1)		Pot
		Ass
		Price A

Number of Securities Underlying Options	% of Total Options Granted to Employees	Exercise or

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Name	Granted (#) (2)	in Fiscal Year	Base Price (\$/Share)	Expiration Date	0% (\$ (3)
J. L. Murdy.....	15,000	0.5%	\$15.030	1/22/2012	0
	15,000	0.5%	\$16.925	4/22/2012	0
	15,000	0.5%	\$10.635	7/22/2012	0
	15,000	0.5%	\$ 7.245	10/21/2012	0
	120,000	3.8%	\$ 7.245	10/21/2012	0
J. W. Shilling.....	5,000	0.2%	\$15.030	1/22/2012	0
	5,000	0.2%	\$16.925	4/22/2012	0
	5,000	0.2%	\$10.635	7/22/2012	0
	5,000	0.2%	\$ 7.245	10/21/2012	0
	40,000	1.3%	\$ 7.245	10/21/2012	0
D. A. Kittenbrink.....	5,000	0.2%	\$15.030	1/22/2012	0
	5,000	0.2%	\$16.925	4/22/2012	0
	5,000	0.2%	\$10.635	7/22/2012	0
	5,000	0.2%	\$ 7.245	10/21/2012	0
	40,000	1.3%	\$ 7.245	10/21/2012	0
J. D. Walton.....	5,000	0.2%	\$15.030	1/22/2012	0
	5,000	0.2%	\$16.925	4/22/2012	0
	5,000	0.2%	\$10.635	7/22/2012	0
	5,000	0.2%	\$ 7.245	10/21/2012	0
	40,000	1.3%	\$ 7.245	10/21/2012	0
R. J. Harshman.....	5,000	0.2%	\$15.030	1/22/2012	0
	5,000	0.2%	\$16.925	4/22/2012	0
	5,000	0.2%	\$10.635	7/22/2012	0
	5,000	0.2%	\$ 7.245	10/21/2012	0
	40,000	1.3%	\$ 7.245	10/21/2012	0

- (1) In general, except for limited instances, including estate-planning purposes, and at the discretion of the Committee, stock options become exercisable in three annual installments beginning one year after the date of grant. Options include the right to pay the exercise price in cash, Common Stock or a combination, and the right to have shares withheld by the Company to pay withholding tax obligations due on the exercise.
- (2) Options were granted on January 22, 2002, April 22, 2002, July 22, 2002 and October 21, 2002.
- (3) No gain to the optionees is possible without stock price appreciation, which will benefit all stockholders commensurately.
- (4) These assumed "potential realizable values" are mathematically derived from certain prescribed rates of stock price appreciation. The actual value of these option grants depends on the future performance of the Common Stock and overall stock market conditions. The values reflected in this table may not be achieved.

19

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR-END OPTION VALUES

Number of Securities
Underlying Unexercised

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Options at FY-End(#)	
			Exercisable	Unexercisable
J. L. Murdy.....	0	0	112,818	205,001
J. W. Shilling.....	0	0	70,885	71,669
D. A. Kittenbrink.....	0	0	64,328	71,669
J. D. Walton.....	0	0	97,647	71,669
R. J. Harshman.....	0	0	45,134	69,169

(1) The "value" of unexercised options is calculated by subtracting the exercise price per share from \$6.13, which was the average of the high and low sales prices of a share of Company Common Stock on the New York Stock Exchange on the last business day of 2002.

LONG-TERM INCENTIVE PROGRAM

The following table sets forth information about awards for the 2002-2004 award period established in 2002 under the Total Shareholder Return Incentive Compensation Program.

The amounts included in the Estimated Future Payouts columns represent the potential issuance of Common Stock to the named officers depending on the level of achievement (i.e., threshold, target or maximum) of the performance goals for the three-year award period. Participants will not receive any shares of Common Stock under the program if the Company does not achieve the threshold level of performance objectives during the award period.

TOTAL SHAREHOLDER RETURN INCENTIVE COMPENSATION PROGRAM -- AWARDS IN LAST FISCAL YEAR

Name	Number of Shares, Units or Other Rights	Performance or Other Period Until Maturation or Payout (1)	Estimated Future Payout Under Non-Stock Price-Based	
			Threshold (#)	Target (#)
J. L. Murdy.....	24,825	2002-2004	12,412	24,825
J. W. Shilling.....	12,731	2002-2004	6,365	12,731
D. A. Kittenbrink....	11,139	2002-2004	5,569	11,139
J. D. Walton.....	10,821	2002-2004	5,410	10,821
R. J. Harshman.....	9,548	2002-2004	4,774	9,548

(1) The amount of the award is based on base salary at the beginning of the award period. At the time the award opportunity was set, the awards were denominated in shares of Common Stock (with the number of shares based on average price of a share of Common Stock on the New York Stock Exchange for a fixed period immediately prior to the beginning of the award period).

PENSION PLANS

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

The Company maintains a qualified defined benefit pension plan, called the Allegheny Technologies Incorporated Pension Plan ("ATI Pension Plan"), which has a number of benefit formulas that apply separately to various groups of employees and retirees. In general, the variances among formulas are determined by work location and job classification. One major difference is whether the employee was employed by Allegheny Ludlum Corporation ("Allegheny Ludlum") or Teledyne, Inc. ("TDY") at the time those corporations engaged in a business combination to form the Company in 1996.

The benefits payable from a qualified defined benefit plan are limited by the Internal Revenue Code. The Company has established non-qualified plans to restore benefits to employees affected by those limitations. Messrs. Murdy, Kittenbrink and Walton do not participate in the defined benefit portion of the restoration plans.

The following table shows the estimated annual benefits calculated on a straight life annuity basis payable under the provisions of the ATI Pension Plan generally applicable to Allegheny Ludlum employees with the corresponding defined benefit portion of the benefit restoration plan for salaried participants in specified compensation and years of service classifications upon attainment of age 65:

Estimated Annual Pension Benefits for Representative Years of Continuous Service*						
Remuneration	20	25	30	35	40	45
\$ 200,000	\$ 64,000	\$ 80,000	\$ 96,000	\$ 112,000	\$ 128,000	\$ 144,000
300,000	96,000	120,000	144,000	168,000	192,000	216,000
400,000	128,000	160,000	192,000	224,000	256,000	288,000
500,000	160,000	200,000	240,000	280,000	320,000	360,000
600,000	192,000	240,000	288,000	336,000	384,000	432,000
800,000	256,000	320,000	384,000	448,000	512,000	576,000
1,000,000	320,000	400,000	480,000	560,000	640,000	720,000
1,500,000	480,000	600,000	720,000	840,000	960,000	1,080,000
2,000,000	640,000	800,000	960,000	1,120,000	1,280,000	1,440,000
2,500,000	800,000	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000

* The set of formulas used to determine retirement benefits under the pension provisions applicable to employees of Allegheny Ludlum considers the participant's annual eligible earnings in the highest five consecutive years of the last ten years prior to retirement at an accrual rate per year of service not to exceed limitations under applicable law multiplied by years of service recognized under the ATI Pension Plan. Eligible earnings include base salary, including tax-deferred contributions by the employee under the Company's savings plans, and awards, when received, under the Company's short-term incentive plans. Benefits are not subject to deduction for social security or other offset amounts.

The following table shows the estimated annual benefits calculated on a straight life annuity basis payable under the provisions of the ATI Pension Plan generally applicable to TDY employees with the corresponding defined benefit portion of the benefit restoration plan for salaried participants in specified compensation and years of service classifications upon attainment of age 65:

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Estimated Annual Pension Benefits for Representative Years of Continuous Service for TDY*						
Remuneration	20	25	30	35	40	45
\$ 200,000	\$ 60,872	\$ 76,090	\$ 91,308	\$ 106,526	\$ 121,745	\$ 136,963
300,000	93,872	117,340	140,808	164,276	187,745	211,213
400,000	126,872	158,590	190,308	222,026	253,745	285,463
500,000	159,872	199,840	239,808	279,776	319,745	359,713
600,000	192,872	241,090	289,308	337,526	385,745	433,963
800,000	258,872	323,590	388,308	453,026	517,745	582,463
1,000,000	324,872	406,090	487,308	568,526	649,745	730,963
1,500,000	489,872	612,340	734,808	857,276	979,745	1,102,213
2,000,000	654,872	818,590	982,308	1,146,026	1,309,745	1,473,463
2,500,000	819,872	1,024,840	1,229,808	1,434,776	1,639,745	1,844,713

* The formula considers the participant's annual eligible earnings in the highest five consecutive years of the last ten years prior to retirement, and the participant's years of service, except for employees in the corporate headquarters, which uses years of service to 1998. Eligible earnings include base salary, including tax-deferred contributions by the employee under the Company's savings plans, and awards, when received, under the Company's short-term incentive plans. Benefits are not subject to deduction for social security or other offset amounts.

As of December 31, 2002, credited years of service recognized under the ATI Pension Plan were 14.58 for Mr. Murdy, 29.92 for Mr. Shilling, 10.5 for Mr. Kittenbrink, 16.83 for Mr. Walton and 21.17 for Mr. Harshman.

In addition, the Company has established a Supplemental Pension Plan that provides certain key employees of the Company and its subsidiaries, including Messrs. Murdy, Shilling, Kittenbrink, Walton, and Harshman (or their beneficiaries in the event of death), with monthly payments in the event of retirement, disability or death, equal to 50% of monthly base salary as of the date of retirement, disability or death. Monthly retirement benefits start following the end of the two month period after the later of (1) age 62, if actual retirement occurs prior to age 62 but after age 58 with the approval of the Board of Directors, or (2) the date actual retirement occurs and generally continue for a 118-month period. The plan describes the events that will terminate an employee's participation in the plan. Since the payment of benefits to the participants is contingent on future events, the amount to be paid in the future with respect to such officers cannot be determined at this time.

22

EMPLOYMENT AND CHANGE IN CONTROL AGREEMENTS

The Company entered employment agreements with Messrs. Murdy and Walton in connection with the combination of Allegheny Ludlum and Teledyne in 1996. The agreements provide for the payment of base salary as well as for eligibility to participate in incentive compensation, equity, employee and fringe benefit plans offered to senior executives of the Company. By their terms, the agreements renew automatically each month absent notice from one party to the other, so that the then remaining term is one year. The agreements generally terminate prior to the expiration date without breach by any party in the event of the death, disability or voluntary resignation of the employee. The Company may also terminate the agreement for cause without breach by it. An employee may resign

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

for good reason (which is defined to include demotion, reduction in base pay or movement of corporate headquarters) and receive severance payments equal to the base pay and bonus, determined based on actual financial results, as well as continued participation in certain compensation and employee benefit plans, for one year, including certain supplemental pension benefits.

In 2000, the Company entered into change in control severance agreements, as amended, with the named officers and other key employees to assure the Company that it will have the continued support of the executive and the availability of the executive's advice and counsel notwithstanding the possibility, threat or occurrence of a change in control (as defined in the agreement). In general, the agreements provide for the payment of severance benefits if a change in control occurs and within 24 months after the change in control either the Company terminates the executive's employment with the Company without cause (as defined) or the executive terminates employment with the Company for good reason (as defined). Severance compensation includes a multiple of base salary (three for Messrs. Murdy, Shilling, Kittenbrink, Walton, and Harshman), certain accrued benefits, a prorated payment of an incentive bonus equal to that which would have been paid had the Company achieved 120% of target, a lump-sum payment under the long-term incentive program based on the Company's performance for completed years and for future years assuming that the Company would have achieved 120% of target, the continuation of welfare benefits for 36 months and reimbursement for outplacement services. The agreements also provide for the vesting of outstanding options and the lifting of restrictions on stock awarded under the SARP. The agreements have a term of three years, which three-year term will continue to be extended until either party gives written notice that it no longer wants to continue to extend the term. If a change of control occurs during the term, the agreements will remain in effect for the longer of three years or until all obligations of the Company under the agreements have been fulfilled.

23

CUMULATIVE TOTAL STOCKHOLDER RETURN

The graph set forth below shows the cumulative total stockholder return (i.e., price change plus reinvestment of dividends) on the Common Stock from December 31, 1997 through December 31, 2002 as compared to the S&P 500 Index and the S&P Iron & Steel Index. The graph assumes that \$100 was invested on December 31, 1997.

[GRAPH]

	ALLEGHENY TECHNOLOGIES INC	S&P 500 INDEX
Dec-97	100.00	100.00
Dec-98	81.48	128.58
Dec-99	52.65	155.63
Dec-00	38.76	141.46
Dec-01	42.75	124.65
Dec-02	16.80	97.10

On November 29, 1999, the Company completed the transformation, which included the spin-offs of Teledyne Technologies Incorporated (NYSE: TDY) and Water Pik Technologies, Inc. (NYSE: PIK). In the spin-offs, holders of record on November 22, 1999 received one Teledyne Technologies share for each seven shares of

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Company Common Stock and one Water Pik share for each twenty shares of Company Common Stock, based on the number of shares of Company Common Stock they held prior to the one-for-two reverse stock split. Therefore, the value illustrated above from the period December 1999 through December 2002, does not include Teledyne Technologies and Water Pik Technologies.

24

CERTAIN TRANSACTIONS

Code Hennessy & Simmons Funds. ATI Funding Corporation, the parent company to Allegheny Ludlum Corporation, is invested as a limited partner in two general partnerships: 10% interest in Code Hennessy & Simmons Management, L.P. ("CHSM I") which has a .484% interest in Code Hennessy & Simmons, L.P. ("CHS I") and 5% interest in Code Hennessy & Simmons Management II, L.P. ("CHSM II") which has a 2.935% interest in Code Hennessy & Simmons LP II ("CHS II"). The objective of both funds has been to seek maximum return by investing in leveraged buyouts of operating companies. The investment in CHSM I has essentially been liquidated and had an unaudited book value as of December 31, 2002 of \$49,985 while the unaudited book value in CHSM II is \$442,886. The general partner of CHS II is CHSM II, L.P., whose stockholders are Andrew W. Code, Daniel J. Hennessy, and Brian P. Simmons, each of whom has an equal interest in that firm. Brian P. Simmons is a member of the Company's Board of Directors and is the son of Richard P. Simmons, who beneficially owns more than 5% of the Common Stock of the Company.

CHSM II is responsible for managing the selection and structuring of CHS II's investments. In 2002, the annual base management fee for CHS II was 1.05% percent of the fund's total capital commitments. This fee, offset by fees that the general partner charges to companies that the fund acquires, is paid by the limited partners of CHS II. After offset for fees, the net amounts paid to CHSM II by CHS II limited partners was zero percent.

Kirkpatrick & Lockhart LLP. The Company retained the law firm of Kirkpatrick & Lockhart LLP to perform services for the Company during 2002 and 2003. Charles J. Queenan, Jr., a member of the Company's Board of Directors, is Senior Counsel to that law firm. See "Compensation Committee Interlocks and Insider Participation" on page 16.

Loans under Stock Acquisition and Retention Programs. Under the terms of the Company's stock acquisition and retention programs, prior to the effective date of Sarbanes-Oxley, eligible participants were entitled to deliver a promissory note, payable to the Company, as payment for the purchase price of shares of Common Stock purchased under the programs. Each note has a term of not more than 10 years and is secured by the shares of Common Stock being purchased with the note. Interest accrues on the notes at a rate, as determined on the applicable purchase date, equal to the lesser of the average borrowing rate of the Company or the prime lending rate of PNC Bank, but not lower than the minimum rate necessary to avoid imputed interest under applicable federal income tax laws. During the 2002 fiscal year and prior to the effective date of Sarbanes-Oxley, Messrs. Murdy, Shilling, Kittenbrink, Walton, and Harshman delivered promissory notes to the Company for the purchase price of Common Stock purchased under the 2002 program. Terry L. Dunlap, President of Allegheny Ludlum Corporation, and a member of Mr. Bozzone's immediate family, previously delivered a promissory note to the Company under the programs. The largest amount of indebtedness outstanding under the programs during the 2002 fiscal year and the amount of indebtedness outstanding under the programs as of December 31, 2002 were \$1,755,000 for Mr. Murdy, \$1,361,000 for Mr. Shilling, \$962,000 for Mr. Kittenbrink, \$1,309,000 for Mr. Walton, \$826,000 for Mr. Harshman and \$92,000 for Mr. Dunlap.

OTHER INFORMATION

ANNUAL REPORT ON FORM 10-K

COPIES OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K, WITHOUT EXHIBITS, CAN BE OBTAINED WITHOUT CHARGE FROM THE CORPORATE SECRETARY AT 1000 SIX PPG PLACE, PITTSBURGH, PENNSYLVANIA 15222-5479 OR (412) 394-2800.

2004 ANNUAL MEETING AND STOCKHOLDER PROPOSALS

Under Rule 14a-8 of the Securities and Exchange Commission, proposals of stockholders intended to be presented at the 2004 Annual Meeting of Stockholders must be received no later than November 28, 2003 for inclusion in the proxy statement and proxy card for that meeting. In addition, the Company's certificate of incorporation provides that in order for nominations or other business to be properly brought before an annual meeting by a stockholder, the stockholder must give timely notice thereof in writing to the Corporate Secretary. To be timely, a stockholder's notice must be delivered to the Secretary not less than 75 days and not more than 90 days prior to the first anniversary of the preceding year's annual meeting which, in the case of the 2004 Annual Meeting of Stockholders, would be no earlier than February 9, 2004 and no later than February 24, 2004. If, however, the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, to be timely, notice by the stockholder must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. The Company's certificate of incorporation also requires that such notice contain certain additional information. Copies of the certificate of incorporation can be obtained without charge from the Corporate Secretary.

PROXY SOLICITATION

The Company pays the cost of preparing, assembling and mailing this proxy-soliciting material. We will reimburse banks, brokers and other nominee holders for reasonable expenses they incur in sending these proxy materials to our beneficial stockholders whose stock is registered in the nominee's name.

The Company has engaged Morrow & Co. to help solicit proxies from brokers, banks and other nominee holders of the Common Stock at a cost of \$8,000 plus expenses. Our employees may also solicit proxies for no additional compensation.

ELECTRONIC ACCESS TO PROXY MATERIALS AND ANNUAL REPORT

Stockholders can elect to view future Company proxy statements and annual reports over the Internet instead of receiving paper copies in the mail and thus can save the Company the cost of producing and mailing these documents. Costs normally associated with electronic access, such as usage and telephonic charges, will be borne by you.

If you are a registered stockholder, you can choose to receive future annual reports and proxy statements electronically by following the prompt if you choose to vote over the Internet. If you hold your Company stock in nominee name (such as through a broker), check the information provided by your nominee for

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

instructions on how to elect to view future proxy statements and annual reports over the Internet.

Stockholders who choose to view future proxy statements and annual reports over the Internet will receive instructions containing the Internet address of those materials, as well as voting instructions, approximately four weeks before future meetings.

If you enroll to view the Company's future annual reports and proxy statements electronically and vote your proxy over the Internet, your enrollment will remain in effect for all future stockholders' meetings unless you cancel it. To cancel, registered stockholders should access www.melloninvestor.com and follow the instructions to cancel your enrollment. You should retain your control number appearing on your enclosed proxy card. If you hold your Company stock in nominee name, check the information provided by your nominee holder for instructions on how to cancel your enrollment.

If at any time you would like to receive a paper copy of the annual report or proxy statement, please write to Allegheny Technologies Incorporated, Corporate Secretary, 1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479.

On behalf of the Board of Directors:

/s/ Jon D. Walton
Jon D. Walton
Senior Vice President, Chief Legal and Administrative Officer

Dated: March 28, 2003

IF YOU SIGN AND RETURN THIS CARD BUT DO NOT SPECIFY A VOTE, THE PROXIES WILL VOTE FOR ALL ITEMS AND IN THEIR DISCRETION ON OTHER MATTERS.

The Board of Directors recommends a vote FOR Items A and B:
A. Election of the four nominees as directors:

FOR the nominees (except as indicated)	WITHHELD from all nominees	01 Diane C. Creel, 02 C. Fred Fetterolf, 03 (To withhold authority to vote for any nomin nominee(s) in the space that follows:)
[]	[]	

B. Selection of Independent Accountants.

FOR	AGAINST	ABSTAIN
[]	[]	[]

Please check here
ticket to the Mee

By checking the b
to view the Compa
Proxy Statements
Internet. I under
no longer distrib

for any future st
my consent is rev
may revoke my con
written notice to

SIGNATURE

SIGNATURE

PLEASE SIGN EXACTLY AS YOUR NAME APPEARS ABOVE.

FOLD AND DETACH HERE

VOTE BY INTERNET OR TELEPHONE OR MAIL
24 HOURS A DAY, 7 DAYS A WEEK

INTERNET AND TELEPHONE VOTING IS AVAILABLE THROUGH 11 PM EASTERN T
THE DAY PRIOR TO ANNUAL MEETING DAY.

YOUR INTERNET OR TELEPHONE VOTE AUTHORIZES THE NAMED PROXIES TO VOTE YOUR SHARES
AS IF YOU MARKED, SIGNED AND RETURNED YOUR PROXY CARD.

INTERNET

<http://www.eproxy.com/ati>
Use the Internet to vote your proxy.
Have your proxy card in hand when
you access the web site. You will be
prompted to enter your control
number, located in the box below, to
create and submit an electronic
ballot.

OR

TELEPHONE

1-800-435-6710
Use any touch-tone telephone to
vote your proxy. Have your proxy
card in hand when you call. You will
be prompted to enter your control
number, located in the box below,
and then follow the directions
given.

IF YOU VOTE YOUR PROXY BY INTERNET OR BY TELEPHONE,
YOU DO NOT NEED TO MAIL BACK YOUR PROXY CARD.

YOU CAN VIEW THE ANNUAL REPORT AND PROXY STATEMENT ON
THE INTERNET AT [HTTP://WWW.ALLEGHENYTECHNOLOGIES.COM](http://www.allegHENYTECHNOLOGIES.COM)

ALLEGHENY TECHNOLOGIES INCORPORATED
PROXY FOR 2003 ANNUAL MEETING

SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF
ALLEGHENY TECHNOLOGIES INCORPORATED

The undersigned hereby appoints Richard J. Harshman, Mary Beth Luksik and Jon D. Walton or any of them, each with power of substitution and revocation, proxies or proxy to vote all shares of Common Stock which the registered stockholder named herein is entitled to vote with all powers which the stockholder would possess if personally present, at the Annual Meeting of Stockholders of Allegheny Technologies Incorporated on May 8, 2003, and any adjournments thereof, upon the matters set forth on the reverse side of this card, and, in their discretion, upon such other matters as may properly come before such meeting.

STOCKHOLDERS MAY VOTE BY TOLL-FREE TELEPHONE OR INTERNET BY FOLLOWING THE

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

INSTRUCTIONS ON THE REVERSE SIDE OR STOCKHOLDERS MAY VOTE BY COMPLETING, DATING AND SIGNING THIS PROXY CARD AND RETURNING IT PROMPTLY IN THE ENCLOSED POSTAGE PAID ENVELOPE.

IF YOU WISH TO USE THIS CARD TO VOTE YOUR SHARES, PLEASE VOTE, DATE AND SIGN ON THE REVERSE SIDE.

ADDRESS CHANGE/COMMENTS (MARK THE CORRESPONDING BOX ON THE REVERSE SIDE)

FOLD AND DETACH HERE

[logo]

Dear Stockholder,

Enclosed are materials relating to the Allegheny Technologies 2003 Annual Meeting of Stockholders. The Notice of the Meeting and Proxy Statements describe the formal business to be transacted at the meeting.

Your vote is important. Please vote your proxy promptly whether or not you expect to attend the meeting. You may vote by toll-free telephone, by Internet or by signing and returning the proxy card (above) in the enclosed postage-paid envelope.

/s/ Jon D. Walton

Jon D. Walton
Senior Vice President, Chief Legal and Administrative Officer

EASY WAYS TO SAVE THE COMPANY MONEY

1. Please consider voting by Telephone (1-800-435-6710); or Internet (<http://www.eproxy.com/ati>).
2. Please consider consenting to view the Company's future Annual Reports and Proxy Statements electronically, via the Internet. In order to consent:
 - Please mark the appropriate box on the reverse side of this proxy card; or
 - Go to Allegheny Technologies' Transfer Agent's website, <http://vault.melloninvestor.com/isd/>, and follow the prompts.

IF YOU SIGN AND RETURN THIS CARD BUT DO NOT SPECIFY A VOTE, THE PROXIES WILL VOTE FOR ALL ITEMS AND IN THEIR DISCRETION ON OTHER MATTERS.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

The Board of Directors recommends a vote FOR Items A and B:

A. Election of the four nominees as directors:

FOR the nominees (except as indicated) [] WITHHELD from all nominees []

01 Diane C. Creel, 02 C. Fred Fetterolf, 03 (To withhold authority to vote for any nominee(s) in the space that follows:)

B. Selection of Independent Accountants.

Please check here ticket to the Meeting

FOR AGAINST ABSTAIN [] [] []

By checking the box to view the Company Proxy Statements Internet. I understand no longer distributed for any future stock my consent is revocable may revoke my consent written notice to

SIGNATURE

SIGNATURE

PLEASE SIGN EXACTLY AS YOUR NAME APPEARS ABOVE. WHEN SIGNING AS A FIDUCIARY OR CORPORATE OFFICER, ACCOUNTS, PLEASE FURNISH BOTH SIGNATURES.

FOLD AND DETACH HERE

VOTE BY INTERNET OR TELEPHONE OR MAIL 24 HOURS A DAY, 7 DAYS A WEEK

INTERNET AND TELEPHONE VOTING IS AVAILABLE THROUGH 11 PM EASTERN TIME ON MAY 1, 2003.

YOUR INTERNET OR TELEPHONE VOTE AUTHORIZES THE NAMED PROXIES TO VOTE YOUR SHARES AS IF YOU MARKED, SIGNED AND RETURNED YOUR PROXY CARD.

INTERNET HTTP://WWW.EPROXY.COM/ATI Use the Internet to vote your proxy. Have your proxy card in hand when you access the web site. You will be prompted to enter your control number, located in the box below, to create and submit an electronic ballot.

OR

TELEPHONE 1-800-435-6710 Use any touch-tone telephone to vote your proxy. Have your proxy card in hand when you call. You will be prompted to enter your control number, located in the box below, and then follow the directions given.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

IF YOU VOTE YOUR PROXY BY INTERNET OR BY TELEPHONE, YOU DO NOT NEED TO MAIL BACK YOUR PROXY CARD.

YOU CAN VIEW THE ANNUAL REPORT AND PROXY STATEMENT ON THE INTERNET AT HTTP://WWW.ALLEGHENYTECHNOLOGIES.COM

ALLEGHENY TECHNOLOGIES INCORPORATED
VOTING INSTRUCTION CARD FOR 2003 ANNUAL MEETING

- o PERSONAL RETIREMENT AND 401(k) SAVINGS ACCOUNT PLAN
- o RETIREMENT SAVINGS PLAN
- o SAVINGS AND SECURITY PLAN OF THE LOCKPORT AND WATERBURY FACILITIES
- o THE 401(k) SAVINGS ACCOUNT PLAN OF THE WASHINGTON PLATE PLANT
- o THE 401(k) PLAN
- o ALLEGHENY RODNEY (ALSTRIP) PROFIT SHARING PLAN
- o TDY INDUSTRIES, INC. PROFIT SHARING PLAN FOR CERTAIN EMPLOYEES OF METALWORKING PRODUCTS

The undersigned hereby directs Mellon Bank, N.A., the Trustee of the above Plans, to vote the full number of shares of Common Stock allocated to the account of the undersigned under the Plans, at the Annual Meeting of Stockholders of Allegheny Technologies Incorporated on May 8, 2003, and any adjournments thereof, upon the matters set forth on the reverse of this card, and, in its discretion, upon such other matters as may properly come before such meeting.

PLAN PARTICIPANTS MAY GIVE DIRECTIONS BY TOLL-FREE TELEPHONE OR INTERNET BY FOLLOWING THE INSTRUCTIONS ON THE REVERSE SIDE OR PARTICIPANTS MAY GIVE DIRECTIONS BY COMPLETING, DATING AND SIGNING THIS CARD AND RETURNING IT PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

IF YOU WISH TO USE THIS CARD TO VOTE YOUR SHARES, PLEASE VOTE, DATE AND SIGN ON THE REVERSE SIDE.

ADDRESS CHANGE/COMMENTS (MARK THE CORRESPONDING BOX ON THE REVERSE SIDE)

FOLD AND DETACH HERE

- o PERSONAL RETIREMENT AND 401(k) SAVINGS ACCOUNT PLAN
- o RETIREMENT SAVINGS PLAN
- o SAVINGS AND SECURITY PLAN OF THE LOCKPORT AND WATERBURY FACILITIES
- o THE 401(k) SAVINGS ACCOUNT PLAN OF THE WASHINGTON PLATE PLANT
- o THE 401(k) PLAN
- o ALLEGHENY RODNEY (ALSTRIP) PROFIT SHARING PLAN
- o TDY INDUSTRIES, INC. PROFIT SHARING PLAN FOR CERTAIN EMPLOYEES OF METALWORKING PRODUCTS

As a Plan participant, you have the right to direct Mellon Bank, N.A., the Plan

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form DEF 14A

Trustee, how to vote the shares of Allegheny Technologies Common Stock that are allocated to your Plan account and shown on the attached voting instruction card. The Trustee will hold your instructions in complete confidence except as may be necessary to meet legal requirements.

You may vote by telephone, Internet or by completing, signing and returning the voting instruction card (above). A postage-paid return envelope is enclosed.

The Trustee must receive your voting instructions by May 1, 2003. If the Trustee does not receive your instructions by May 1, 2003, the plan administrator may instruct the Trustee to vote your shares as the administrator directs.

You will receive a separate set of proxy solicitation materials for any shares of Common Stock you own other than your Plan shares. Your non-plan shares must be voted separately from your Plan shares.

EASY WAYS TO SAVE THE COMPANY MONEY

1. Please consider voting by Telephone (1-800-435-6710); or Internet (<http://www.eproxy.com/ati>).
2. Please consider consenting to view the Company's future Annual Reports and Proxy Statements electronically, via the Internet. In order to consent:
 - Please mark the appropriate box on the reverse side of this proxy card; or
 - Go to Allegheny Technologies' Transfer Agent's website, <http://vault.melloninvestor.com/isd/>, and follow the prompts.