

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

ALLEGHENY TECHNOLOGIES INC

Form 11-K

June 25, 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

401(K) SAVINGS ACCOUNT PLAN FOR EMPLOYEES
OF THE WASHINGTON PLATE PLANT

(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)

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
401(k) Savings Account Plan for Employees of the Washington Plate Plant
Years ended December 31, 2003 and 2002
with Report of Independent Registered Public Accounting Firm

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

Audited Financial Statements
and Supplemental Schedule

Years ended December 31, 2003 and 2002

CONTENTS

Report of Independent Registered Public Accounting Firm..... 1

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

Audited Financial Statements

Statements of Net Assets Available for Benefits..... 2
Statements of Changes in Net Assets Available for Benefits..... 3
Notes to Financial Statements..... 4

Supplemental Schedule

Schedule H, Line 4i--Schedule of Assets (Held at End of Year)..... 12

Signatures 13

Exhibit

23 Consent of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

Allegheny Technologies Incorporated

We have audited the accompanying statements of net assets available for benefits of the 401(k) Savings Account Plan for Employees of the Washington Plate Plant as of December 31, 2003 and 2002, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003 and 2002, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

June 18, 2004
Pittsburgh, Pennsylvania

1

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

Statements of Net Assets Available for Benefits

	DECEMBER 31	
	2003	2002

Investments:		
Interest in Allegheny Technologies Incorporated Savings Plan Trust	\$ 2,253,965	\$ 1,588
Interest in registered investment companies	1,212,309	396
Corporate common stocks	116,614	33
Participant loans	66,450	49
Interest in common collective trusts	67	489

Total investments	3,649,405	2,558
Other payables, net	-	(3)

Net assets available for benefits	\$ 3,649,405	\$ 2,554
	=====	

See accompanying notes.

2

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

Statements of Changes in Net Assets Available for Benefits

	YEARS ENDED DECEMBER 31	
	2003	2002

Contributions:		
Employer	\$ 258,854	\$ 26
Employee	329,736	33

Total contributions	588,590	59
Investment income (loss):		
Net gain (loss) from interest in Allegheny Technologies Incorporated Savings Plan Trust	275,962	(20)
Net gain (loss) from interest in registered investment		

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

companies	189,152	(9)
Net gain (loss) from interest in common collective trusts	42,396	(6)
Dividend income	2,288	
Interest income	3,257	
Net realized/unrealized gain (loss) on corporate common stocks	85,151	(4)

Total investment gain (loss)	598,206	(40)

	1,186,796	19
Distributions to participants	(92,009)	(7)

Net increase in assets available for benefits	1,094,787	11
Net assets available for benefits at beginning of year	2,554,618	2,43

Net assets available for benefits at end of year	\$ 3,649,405	\$ 2,55
	=====	

See accompanying notes.

3

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

Notes to Financial Statements

Years ended December 31, 2003 and 2002

1. SIGNIFICANT ACCOUNTING POLICIES

Investments are valued as follows:

Bank and insurance 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 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 401(k) Savings Account Plan for Employees of the Washington Plate Plant (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 encourage thrift and to assist represented

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

employees of the Washington Plate facility of Allegheny Ludlum Corporation (the Company) in accumulating a fund to supplement retirement income by allowing eligible employees to make tax-deferred contributions to the Plan. Allegheny Ludlum Corporation is a wholly owned subsidiary of Allegheny Technologies Incorporated (ATI, the Plan Sponsor). The Plan allows employees to contribute a portion of eligible wages each pay period through payroll deductions subject to Internal Revenue Code limitations. In addition, the employee's annual pretax profit sharing award and pretax Longevity Incentive Payment Plan award may be contributed at the employee's discretion. The Company contributes \$0.50 for each hour worked per eligible represented employee. Unless otherwise specified by the participant, all contributions are made to the Fixed Income Fund. Such contributions are made only from current income or accumulated earnings of the Company. 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, employer contributions are made to the Fixed Income Master Trust.

4

401(k) Savings Account Plan for Employees of the Washington Plate Plant

Notes to Financial Statements (continued)

2. DESCRIPTION OF THE PLAN (CONTINUED)

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. 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 \$500 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 6 to 60 months, and primary residence loans are repaid over periods 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, summary plan description, and related contracts. These documents are available from the Plan Sponsor.

3. INVESTMENTS

The following presents investments that represent 5% or more of the Plan's net assets:

	DECEMBER 31	
	2003	2002

Fixed Income Master Trust	\$1,245,256	\$ 846,606

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

Allegheny Technologies Disciplined Stock Fund		
Master Trust	589,439	416,649
Alliance Equity Master Trust	419,271	325,633
Oakmark Balanced Fund	391,899	-*
Dreyfus Emerging Leaders Fund	349,536	270,985
Dreyfus Lifestyle Growth and Income Fund	-*	353,451

* Shown for comparative purposes.

5

401(k) Savings Account Plan for Employees of the Washington Plate Plant

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

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 and 2002, the Plan's interest in the net assets of the Alliance Equity Master Trust, the Allegheny Technologies Disciplined Stock Fund Master Trust, and the Fixed Income Master Trust was as follows:

	2003	2002
	-----	-----
Alliance Equity Master Trust	1.18%	1.23%
Allegheny Technologies Disciplined Stock Fund		
Master Trust	0.76	0.76
Fixed Income Master Trust	0.65	0.47

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

6

401(k) Savings Account Plan for Employees of the Washington Plate Plant

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The composition of the net assets of the Fixed Income Master Trust at December 31, 2003 and 2002 was as follows:

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

	2003	2002
Guaranteed investment contracts:		
Canada Life	\$ 2,757,412	\$ 2,757,412
GE Life and Annuity	9,583,804	10,420,420
Hartford Life Insurance Company	10,939,222	10,460,460
John Hancock Life Insurance Company	8,848,178	9,854,178
Monumental Life Insurance Company	2,353,862	2,363,862
New York Life Insurance Company	6,814,589	7,808,589
Ohio National Life	4,652,712	5,976,712
Pacific Mutual Life Insurance Company	6,075,054	6,074,054
Principal Life	1,187,962	1,134,962
Protective Life Insurance Company	1,006,456	1,006,456
Pruco Pace Credit Enhanced	8,947,069	8,689,069
Safeco Life Insurance	-	1,973,973
Security Life of Denver	6,737,205	6,465,205
Sun America, Inc.	-	2,988,988
United of Omaha	7,226,335	7,226,335
	-----	-----
	77,129,860	85,199,860
Synthetic guaranteed investment contracts:		
Caisse des Depots et Consignations	1,999,995	4,953,995
CIT Equipment	-	996,996
Common Wealth Edison	-	2,999,999
Commit to purchase FNMA 02-74 LC	-	3,071,071
Conn RRB Spec Trust	-	2,948,948
Detroit Edison	-	2,027,027
FHLMC	-	5,977,977
Illinois Power Sp Trust	-	1,971,971
MBNA Master CC Trust	-	1,993,993
MDA Monumental BGI Wrap	33,990,199	41,868,199
Peco Energy Company	-	1,970,970
Peoples Security Life Insurance Company	-	2,491,491
Public Service	-	2,036,036
Bank of America	17,803,044	
Rabobank	36,635,330	
Transamerica Occidental	-	6,568,568
Union Bank of Switzerland	14,768,321	174,768,321
Westdeutsche Landesbank Girozentrale	-	3,556,556
	-----	-----
	105,196,889	85,607,889
Interest in common collective trusts	8,515,369	7,972,369
Interest-bearing cash	-	212,212
Other	764,537	1,817,537
	-----	-----
Total net assets	\$ 191,606,655	\$ 180,809,655
	=====	=====

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

Notes to Financial Statements (continued)

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

3. INVESTMENTS (CONTINUED)

The Fixed Income Fund (the Fund) invests in guaranteed investment contracts (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 and \$88,750,762 at December 31, 2003 and 2002, respectively.

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 and 2002, the interest crediting rates for GICs and Fixed Maturity SICs ranged from 3.58% to 8.02% and 3.27% to 8.05%, respectively.

For the years ended December 31, 2003 and 2002, the average annual yield for the investment contracts in the Fund was 5.31% and 5.74%, respectively. 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 and 2002.

8

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

The composition of net assets of the Alliance Equity Master Trust at December 31, 2003 and 2002 was as follows:

	2003	2002

Investment in pooled separate accounts:		
Alliance Equity Fund S.A. #4	\$ 35,666,427	\$ 26,603,639
Operating payables	(10,616)	(49,895)

Total net assets	\$ 35,655,811	\$ 26,553,744
	=====	

The composition of net assets of the Allegheny Technologies Disciplined Stock Fund Master Trust at December 31, 2003 and 2002 was as follows:

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

	2003	2002
	-----	-----
Corporate common stocks	\$ 77,259,404	\$ 53,256,475
Interest in common collective trusts	337,451	1,630,752
Receivables	283,072	67,848
Payables	(42,301)	(25,733)
	-----	-----
Total net assets	\$ 77,837,626	\$ 54,929,342
	=====	=====

9

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

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		ALLE DISCIPLI

	YEARS ENDED DECEMBER 31				
	2003	2002	2003	2002	20

Investment income (loss):					
Interest income	\$ 9,953,790	\$ 9,786,577	\$ -	\$ -	\$ 2
Net					
realized/unrealized					
gain (loss) on					
corporate common					
stocks	-	1,528	-	-	13,6
Dividends	-	-	-	-	1,0
Net gain (loss),					
registered invest-					
ment companies	45,315	-	-	-	
Net gain (loss), pooled					
separate accounts	-	-	9,614,660	(10,652,634)	
Net gain, common					
collective trusts	111,616	172,081	-	-	
Other income	-	69,815	-	-	
Administrative expenses	(201,917)	(236,944)	(72,409)	(118,618)	(6
Transfers	888,462	5,374,077	(440,184)	(2,634,913)	8,5
	-----	-----	-----	-----	-----
Net increase (decrease)	10,797,266	15,167,134	9,102,067	(13,406,165)	22,9
Total net assets at					
beginning of year	180,809,389	165,642,255	26,553,744	39,959,909	54,9
	-----	-----	-----	-----	-----

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

Total net assets at end of year	\$191,606,655 =====	\$180,809,389 =====	\$35,655,811 =====	\$ 26,553,744 =====	\$77,8 =====
------------------------------------	------------------------	------------------------	-----------------------	------------------------	-----------------

Interest, realized and unrealized gains and losses, and management fees from the master trusts are included in the net gain (loss) from interest in Allegheny Technologies Incorporated Savings Plan Trust on the statements of changes in net assets available for benefits.

4. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated July 12, 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. The determination letter does not include Plan amendments subsequent to December 31, 2001. 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 the Plan, as amended, is qualified and the related trust is tax-exempt.

10

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

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.

6. PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate 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.

11

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

401(k) Savings Account Plan for Employees
of the Washington Plate Plant

EIN: 25-1792394 Plan Number: 020

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

DECEMBER 31, 2003

DESCRIPTION	UNITS/SHARES	CURRENT VALUE
Registered Investment Companies		
Dreyfus Emerging Leaders Fund*	9,027.277	\$ 349,536
Dreyfus International Value Fund*	6,439.602	106,446
Dreyfus Bond Market Index*	7,092.958	73,483
Dreyfus Appreciation Fund*	370.836	13,773
Oakmark Balanced Fund	17,797.401	391,899
Hartford Midcap Funds	1,609.324	39,638
MFS Value Fund	1,449.705	29,487
Morgan Stanley Small Growth Fund	3,159.842	34,158
PIMCO Funds--NFJ	252.285	6,325
PIMCO Funds--Total	4,714.633	50,494
Lord, Abbett Midcap Funds	1,742.416	32,810
Artisan Funds	2,273.421	58,608
Jennison Growth Fund	1,964.168	25,652
Total registered investment companies		\$1,212,309
Corporate Common Stocks		
Allegheny Technologies Incorporated*	8,821.000	\$ 116,614
Participant loans* (5.0% to 7.75%, with maturities through 2008)		\$ 66,450
Common Collective Trusts		
Dreyfus Short-Term Investment Fund*	67.350	\$ 67

*Party-in-interest

12

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.

Edgar Filing: ALLEGHENY TECHNOLOGIES INC - Form 11-K

ALLEGHENY TECHNOLOGIES INCORPORATED
401(K) SAVINGS ACCOUNT FOR EMPLOYEES
OF THE WASHINGTON PLATE PLANT

By: /s/ Richard J. Harshman

Date: June 25, 2004

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

13