

NEWS RELEASE

FORGING INDUSTRY ASSOCIATION

25 West Prospect Ave., Suite 300

Cleveland, OH 44115

May 3, 2004

Contact: Diane Rothaermel

2003 ANNUAL FORGING INDUSTRY SALES RELEASED BY FORGING INDUSTRY ASSOCIATION

Orders down from '02 levels, but rebound seen in 4th quarter

CLEVELAND, OHIO -- Final revised figures showing 2003 sales of metal forgings produced by independent (custom) forging plants in the United States, Canada and Mexico have been released by Forging Industry Association (FIA). Figures are broken out by the three major forging processes.

CUSTOM FORGING INDUSTRY SALES IN NORTH AMERICA ⁽¹⁾ *(encompassing all metals forged in millions of U.S. \$)*

| <u>Year</u> | <u>Impression Die</u> | <u>Open Die</u> | <u>Seamless Rings</u> |
|-------------|-----------------------|-----------------|-----------------------|
| 2003 | 3901.8 | 647.1 | 522.2 |
| 2002 | 4041.2 | 682.2 | 532.9 |
| 2001 | 4460.2 | 763.1 | 662.6 |
| 2000 | 4694.7 | 745.1 | 606.6 |
| 1999 | 4637.5 | 725.2 | 607.7 |
| 1998 | 4842.9 | 874.9 | 751.0 |
| 1997 | 4584.8 | 898.3 | 671.7 |
| 1996 | 3816.2 | 860.7 | 506.3 |
| 1995 | 3625.8 | 817.2 | 455.3 |
| 1994 | 3322.9 | 716.8 | 383.8 |
| 1993 | 2793.6 | 678.4 | 347.4 |

CUSTOM IMPRESSION DIE FORGING

Total industry shipments for the custom impression die forging industry decreased to \$3,901,816,000 in 2003, 3% below the \$4,041,199,000 in 2002. However, bookings of impression die forging orders during 2003 increased to \$3,978,127,000, 6% higher than the 2002 figure of \$3,745,032,000. The automotive sector (passenger cars/light trucks/SUV's and parts) made up the largest percentage of impression die industry sales at 38.5% share of total custom impression die market, up from 37.5% in 2002. Aerospace applications (including engines, aircraft parts, auxiliary equipment and guided missiles and space vehicles) composed the second largest segment at 22.3%, down from 23.9% in 2002.

CUSTOM OPEN DIE FORGING

Total industry shipments by the custom open die forging industry in 2003 dropped to \$647,108,000, 5% below 2002's volume of \$682,208,000. Bookings of open die forging orders during 2003 amounted to \$655,051,000, 3% below the \$674,611,000 in 2002. In 2003, construction, mining and materials handling equipment remained the leading open die market segment with 13.4% of total industry sales, down slightly from 15% in 2002. Metal forgings and stampings (including billet stock for further hot working and custom die blocks) rose to the second largest market segment, accounting for 11 % of industry output, up from 7 % in 2002.

CUSTOM SEAMLESS ROLLED RING FORGING

Total 2003 industry shipments for the custom seamless rolled ring forging industry fell to \$522,195,000, 2 % below 2002's volume of \$532,904,000. Bookings of seamless rolled ring forgings during 2003 amounted to \$506,242,000, 2% below 2002's \$515,132,000. Aerospace engines and engine parts accounted for the majority of seamless rolled rings produced, with a market share of 51.2 % in 2003 vs. 49.8 % in 2002. Aircraft auxiliary equipment and missiles, space vehicles and parts came in second with 5.6% market share, down from 7.2 % reported for 2002.

#

1. *NOTE: FIA's Annual Report of industry sales is based on information compiled from companies believed to have produced over 90% of 2002's total custom forging sales. The report is statistically treated to represent 100% of industry shipments in the custom forging industry. Figures quoted in this release do not include forgings produced for captive use or standard catalog products. Components produced via the cold forging process are also excluded from this report.*

FORGING INDUSTRY ASSOCIATION, with headquarters in Cleveland, Ohio, is comprised of 113 North American producers of forged metal components, accounting for about 63% of the custom forging volume produced annually. Forged metal parts are pressed, pounded or rolled into countless configurations, and used for critical applications in the aerospace, automotive, construction, materials handling, ordnance, hand tool, agricultural and industrial equipment industries -- to name a few! In addition, 83 firms supplying equipment, materials, services or supplies to the forging industry are also members of FIA. The Association, with its predecessor organizations, has served the metal forging industry since 1913.

For more information on metal forging processes, the forging industry or FIA member companies, visit the forging industry website at www.forging.org.