Viking Therapeutics, Inc.
Form DEF 14A
April 06, 2018

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant 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))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12
VIKING THERAPEUTICS, 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):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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 Rule0-11 (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, 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:
Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

VIKING THERAPEUTICS, INC.
12340 El Camino Real
Suite 250, San Diego, CA 92130

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
Thursday, May 24, 2018
8:00 a.m. Pacific Time
12340 El Camino Real, Suite 250
San Diego, CA 92130

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Viking Therapeutics, Inc., a Delaware corporation (the “Company”), or any adjournment or postponement thereof. The Annual Meeting will be held on Thursday, May 24, 2018, at 8:00 a.m. Pacific Time at the principal executive offices of the Company at 12340 El Camino Real, Suite 250, San Diego, CA 92130, for the following purposes:

1. To elect the following nominees as Class III directors to serve until our 2021 Annual Meeting of Stockholders: Brian Lian, Ph.D. and Lawson Macartney, DVM, Ph.D.;
2. To ratify the selection of Marcum LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018; and
3. To conduct any other business properly brought before the Annual Meeting and any adjournment or postponement thereof.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is April 2, 2018. Only stockholders of record at the close of business on that date may vote at the Annual Meeting or any adjournment or postponement thereof. This Notice is being mailed to all stockholders of record entitled to vote at the Annual Meeting on or about April 6, 2018.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held on Thursday, May 24, 2018 at 8:00 a.m. Pacific Time at 12340 El Camino Real, Suite 250, San Diego, CA 92130.

The proxy statement and annual report to stockholders are available at http://astproxyportal.com/ast/20061/.

By Order of the Board of Directors

/s/ Lawson Macartney, DVM, Ph.D.
Lawson Macartney, DVM, Ph.D.
Chairperson of the Board

San Diego, California
April 6, 2018

You are cordially invited to attend the Annual Meeting in person. Whether or not you expect to attend the Annual Meeting, please complete, date, sign and return the enclosed proxy or submit your proxy through the internet or by telephone as promptly as possible in order to ensure your representation at the Annual Meeting. If you have requested physical materials to be mailed to you, then a return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience if you choose to submit your proxy by mail. Even if you have voted by proxy, you may still vote in person if you attend the Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other agent and you wish to vote at the Annual Meeting, you must obtain a proxy issued in your name from that record holder.

VIKING THERAPEUTICS, INC.
12340 El Camino Real, Suite 250
San Diego, CA 92130

PROXY STATEMENT
FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 24, 2018

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

We have sent you these proxy materials because the Board of Directors (our “Board”) of Viking Therapeutics, Inc. (sometimes referred to as “we”, “us”, “Viking” or the “Company”) is soliciting your proxy to vote at the 2018 Annual Meeting of Stockholders, or any adjournment or postponement thereof (the “Annual Meeting”). You are invited to attend the Annual Meeting and we request that you vote on the proposals described in this Proxy Statement.

Why did I receive a notice regarding the availability of proxy materials on the internet?

Pursuant to rules adopted by the Securities and Exchange Commission (the “SEC”), we have elected to provide access to our proxy materials over the internet. Accordingly, we are sending a Notice of Internet Availability of Proxy Materials (the “Notice”) to our stockholders of record. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy of the proxy materials (including a proxy card) may be found in the Notice.

We intend to mail the Notice on or about April 6, 2018 to all stockholders of record entitled to vote at the Annual Meeting.

When and where will the Annual Meeting be held?

The Annual Meeting will be held on Thursday, May 24, 2018, at 8:00 a.m. Pacific Time at our principal executive offices at 12340 El Camino Real, Suite 250, San Diego, CA 92130. Directions to our principal executive offices are set forth on the back of this Proxy Statement. Information on how to vote in person at the Annual Meeting is discussed below.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on April 2, 2018 will be entitled to vote at the Annual Meeting. At the close of business on the record date, there were 50,933,195 shares of common stock outstanding and entitled to vote and no shares of preferred stock outstanding or entitled to vote. The holders of common stock will have one vote for each share of common stock they owned as of the close of business on April 2, 2018.

Stockholder of Record: Shares Registered in Your Name

If at the close of business on April 2, 2018, your shares of common stock were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, then you are the stockholder of record for these shares. As a stockholder of record, you may vote either in person at the Annual Meeting or by proxy. Whether or not

you plan to attend the Annual Meeting, we urge you to vote by proxy over the telephone or internet as instructed below to ensure that your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Agent

If at the close of business on April 2, 2018, your shares of common stock were held, not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in "street name" and the Notice is being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank or other agent regarding how to vote the shares in your account. Certain of these institutions offer the ability to direct your agent how to vote through the internet or by telephone. You are also invited to attend the Annual Meeting. However, because you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy issued in your name from the broker, bank or other agent considered the stockholder of record of the shares.

What am I voting on?

There are two matters scheduled for a vote at the Annual Meeting:

- To elect each of the Class III nominees for director to serve until our 2021 Annual Meeting of Stockholders or until his respective successor is duly elected and qualified; and
- To ratify the selection of Marcum LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018.

Will there be any other items of business on the agenda?

Aside from the election of the Class III directors and ratification of the selection of our independent registered public accounting firm, our Board knows of no matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote properly may be taken, shares represented by all proxies received by our Board will be voted with respect thereto in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

What is the Viking Board's voting recommendation?

Our Board recommends that you vote your shares:

- "For" the nominees to our Board; and
- "For" the ratification of the selection of Marcum LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018.

How do I vote?

With respect to the election of the director nominees, you may either vote "For" a nominee or you may "Withhold" your vote for a nominee. For the ratification of our independent registered public accounting firm, you may vote "For" or "Against" or abstain from voting. The procedures for voting are described below, based upon your form of ownership.

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the Annual Meeting. We will give you a ballot when you arrive.

2

If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy. You may vote by proxy on the internet, vote by proxy over the telephone or vote by proxy using a proxy card that you may request. The procedures for voting by proxy are as follows:

- To vote by proxy on the internet, go to “www.voteproxy.com” and follow the instructions set forth on the internet site or scan the QR code with your smartphone. Have your proxy card available when you access the web page.
- To vote by proxy over the telephone, dial 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries using a touch-tone telephone and follow the recorded instructions. Have your proxy card available when you call.
- To vote by proxy using a proxy card, complete, sign and date the proxy card that may be delivered to you upon request and return it promptly in the envelope provided.

If you vote by proxy, your vote must be received by 11:59 p.m. Eastern Time on May 23, 2018 to be counted.

We provide internet and telephone proxy voting with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet and telephone access, such as usage charges from internet access providers and telephone companies.

Beneficial Owner: Shares Registered in the Name of Your Broker, Bank or Other Agent

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a notice containing voting instructions from that organization rather than from Viking. To ensure that your vote is counted, follow the voting instructions in the notice. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent in whose name the shares are registered. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy card.

How many votes do I have?

On each matter to be voted upon, holders of common stock will have one vote for each share of common stock they owned as of the close of business on April 2, 2018, the record date for the Annual Meeting.

Will my vote be kept confidential?

Proxies, ballots and voting tabulations are handled on a confidential basis to protect your voting privacy. This information will not be disclosed, except as required by law.

Who is paying for this proxy solicitation?

We will bear the cost of soliciting proxies for the Annual Meeting. We will ask banks, brokerage houses, fiduciaries and custodians holding shares of Viking common stock in their names for others to send proxy materials to and obtain proxies from the beneficial owners of such shares, and we will reimburse them for their reasonable expenses in doing so. We and our directors, officers and regular employees may solicit proxies by mail, personally, by telephone or by other appropriate means. We may also decide to engage an outside proxy solicitor to assist us in these efforts. No additional compensation will be paid to directors, officers or other regular employees for such services.

What does it mean if I receive more than one Notice?

If you receive more than one Notice, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions on each Notice to ensure that all of your shares are voted.

3

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are a stockholder of record, you may revoke your proxy in any one of four ways:

- You may submit another properly completed and executed proxy card with a later date;
- You may submit a new proxy through the internet by going to “www.voteproxy.com” and following the instructions set forth on the internet site or scan the QR code with your smartphone, or by telephone by dialing 1-800-PROXIES (1-800-776-9437) in the United States or 1-718-921-8500 from foreign countries using a touchtone telephone and following the recorded instructions. Have your proxy card available when you access the web page or call (your latest internet or telephone instructions submitted prior to the deadline will be followed);
- You may send a written notice that you are revoking your proxy to our Corporate Secretary, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130; or
- You may attend the Annual Meeting and vote in person. However, simply attending the Annual Meeting will not, by itself, revoke your proxy.

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should follow the voting instructions from that organization, or contact that organization to determine how you may revoke your proxy.

Votes will be counted by the inspector of election appointed for the Annual Meeting.

How are my shares voted if I give no specific instruction?

We must vote your shares as you have instructed. If there is a matter on which a stockholder of record has given no specific instruction but has authorized us generally to vote the shares, they will be voted as follows:

- “For” the election of the Class III director nominees; and
- “For” the ratification of the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

If other matters properly come before the Annual Meeting and you do not provide specific voting instructions, your shares will be voted at the discretion of the proxies.

If your shares are held in street name, see “What is a broker non-vote?” below regarding the ability of banks, brokers and other such holders of record to vote the uninstructed shares of their customers or other beneficial owners in their discretion and regarding broker non-votes.

What is a broker non-vote?

Under rules that govern banks, brokers and others who have record ownership of company stock held in brokerage accounts for their clients who beneficially own the shares, these banks, brokers and other such holders who do not receive voting instructions from their clients have the discretion to vote uninstructed shares on certain matters (“discretionary matters”) but do not have discretion to vote uninstructed shares as to certain other matters (“non-discretionary matters”). Only the ratification of our independent registered public accounting firm is considered a discretionary matter at the Annual Meeting under these rules. A broker may return a proxy card on behalf of a beneficial owner from whom the broker has not received voting instructions that casts a vote with regard to discretionary matters but expressly states that the broker is not voting as to non-discretionary matters. The broker’s inability to vote with respect to the non-discretionary matters for which the broker has not received voting instructions from the beneficial owner is referred to as a “broker non-vote”.

4

What are the voting requirements that apply to the proposals discussed in this Proxy Statement?

Proposals	Vote Required	Discretionary Voting Allowed?
1. Election of Directors	Plurality	No
2. Ratification of Independent Registered Public Accounting Firm	Majority Cast	Yes

A "plurality", with regard to the election of directors, means the nominee receiving the most "For" votes will be elected to our Board. A "majority cast", with regard to the ratification of our independent registered public accounting firm, means the number of votes cast "for" the proposal must exceed the number of votes cast "against" the proposal.

"Discretionary voting" occurs when a bank, broker, or other holder of record does not receive voting instructions from the beneficial owner and votes those shares at its discretion on any proposal as to which the rules permit such bank, broker or other holder of record to vote. As noted above, when banks, brokers and other holders of record are not permitted under the rules to vote the beneficial owner's shares, the affected shares are referred to as "broker non-votes".

Accordingly:

- For the election of the director nominees, the nominees receiving the most "For" votes (from the holders of shares present in person or represented by proxy and entitled to vote on the election of the director nominees) will be elected. Only votes "For" or "Withheld" will affect the outcome.
- To be approved, Proposal No. 2, ratification of the selection of Marcum LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018, must receive more votes "For" the proposal than votes "Against" the proposal. Abstentions and broker non-votes will have no effect.

What is the effect of abstentions and broker non-votes?

Abstentions: Under Delaware law (under which Viking is incorporated), abstentions are counted as shares present and entitled to vote at the Annual Meeting, but they are not counted as shares cast. Our Bylaws provide that stockholder actions are approved if the votes cast for an action exceed the votes cast opposing the action. Therefore, abstentions will have no effect on Proposal No. 1-Election of Directors and Proposal No. 2-Ratification of Independent Registered Public Accounting Firm.

Broker Non-Votes: As a result of a change in rules related to discretionary voting and broker non-votes, banks, brokers and other such record holders are no longer permitted to vote the uninstructed shares of their customers on a discretionary basis in the election of directors or on named executive officer compensation matters. Because broker non-votes are not considered under Delaware law to be entitled to vote at the Annual Meeting, they will have no effect on the outcome of the vote on: Proposa1 No. 1-Election of Directors. As a result, if you hold your shares in street name and you do not instruct your bank, broker or other such holder how to vote your shares in the election of the director nominees, no votes will be cast on your behalf on such proposal. Therefore, it is critical that you indicate your vote on this proposal if you want your vote to be counted. The proposal to ratify the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 should be considered a discretionary matter. Therefore, your bank, broker or other such holder will be able to vote on this proposal even if it does not receive instructions from you, so long as it holds your shares in its name.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if the holders of at least a majority of our outstanding shares of common stock are present in person at the Annual Meeting or represented by proxy. At the close of business on April 2, 2018, the record date for the Annual Meeting, there were 50,933,195 shares of common stock outstanding. Thus, a total of 50,933,195 shares are entitled to vote at the Annual Meeting and the holders of 25,466,598 shares of common stock representing at least 25,466,598 votes must be represented at the Annual Meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum requirement only if you submit a valid proxy (or if one is submitted on your behalf by your broker, bank or other agent) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the chairperson of the Annual Meeting or a majority of the shares present at the Annual Meeting may adjourn the Annual Meeting to another date.

Who will count the votes?

The votes will be counted, tabulated and certified by American Stock Transfer & Trust Company, LLC, the transfer agent and registrar for our common stock.

How can I find out the results of the voting at the Annual Meeting?

Voting results are expected to be announced at the Annual Meeting and will also be disclosed in a Current Report on Form 8-K (the “Form 8-K”) that we will file with the SEC within four business days of the date of the Annual Meeting. In the event the results disclosed in our Form 8-K are preliminary, we will subsequently amend the Form 8-K to report the final voting results within four business days of the date that such results are known.

Why did I receive a Notice in the mail regarding the internet availability of proxy materials instead of a full set of proxy materials?

Pursuant to rules adopted by the SEC, we provide stockholders access to our proxy materials via the internet. On or about April 6, 2018, we are sending a Notice to our stockholders of record and beneficial owners. All stockholders will have the ability to access the proxy materials on a website referred to in the Notice. Stockholders may request to receive a full set of printed proxy materials by mail. Instructions on how to access the proxy materials on the internet or request a printed copy may be found in the Notice.

When are stockholder proposals due for next year’s annual meeting of stockholders?

Stockholders may submit proposals on matters appropriate for stockholder action at the 2019 annual meeting of our stockholders (“2019 Annual Meeting of Stockholders”) consistent with Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). To be considered for inclusion in proxy materials for our 2019 Annual Meeting of Stockholders, a stockholder proposal must be submitted in writing no later than December 7, 2018 to our Corporate Secretary, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130. If you wish to submit a proposal that is not to be included in the proxy materials for our 2019 Annual Meeting of Stockholders, your proposal generally must be submitted in writing to the same address no earlier than January 24, 2019, but no later than February 23, 2019. However, if the date of the 2019 Annual Meeting of Stockholders is convened more than 30 days before, or delayed by more than 30 days after, May 24, 2019, to be considered for inclusion in proxy materials for our 2019 Annual Meeting of Stockholders, a stockholder proposal must be submitted in writing to our Corporate Secretary, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130 a reasonable time before we begin to print and send our proxy materials for the 2019 Annual Meeting of Stockholders. If the date of the 2019 Annual Meeting of Stockholders is convened more than 30 days before, or delayed by more than 30 days after, May 24, 2019 and you wish to submit a proposal that is not to be included in the proxy materials for our 2019 Annual Meeting of Stockholders, your proposal generally must be submitted in writing to the same address not earlier than the close of business on the 120th day prior to the date of the 2019 Annual Meeting of Stockholders, and no later than the close of business on the later of (1) the 90th day before the date of the 2019 Annual Meeting of Stockholders, or (2) the 10th day following the day on which we first publicly announce (by press release or a filing with the SEC) the date of the 2019 Annual Meeting of Stockholders. Please review our Bylaws, which contain additional requirements regarding advance notice of stockholder proposals. You may view our Bylaws by visiting the SEC's internet website at www.sec.gov.

EXECUTIVE OFFICER

Our executive officers are elected by, and serve at the discretion of, our Board. As of April 6, 2018, our sole executive officer is Brian Lian, Ph.D., our President, Chief Executive Officer and a member of our Board of Directors. His biography is as follows:

Brian Lian, Ph.D., age 52, has served as our President and Chief Executive Officer and as a Director since our inception in September 2012. Dr. Lian has over 15 years of experience in the biotechnology and financial services industries. Prior to joining Viking, he was a Managing Director and Senior Research Analyst at SunTrust Robinson Humphrey, an investment bank, from 2012 to 2013. At SunTrust Robinson Humphrey, he was responsible for coverage of small and mid-cap biotechnology companies with an emphasis on companies in the diabetes, oncology, infectious disease and neurology spaces. Prior to SunTrust Robinson Humphrey, he was Managing Director and Senior Research Analyst at Global Hunter Securities, an investment bank, from 2011 to 2012. Prior to Global Hunter Securities, he was Senior Healthcare Analyst at The Agave Group, LLC, a registered investment advisor, from 2008 to 2011. Prior to The Agave Group, he was an Executive Director and Senior Biotechnology Analyst at CIBC World Markets, an investment bank, from 2006 to 2008. Prior to CIBC, he was a research scientist in small molecule drug discovery at Amgen, a biotechnology company. Prior to Amgen, he was a research scientist at Microcide Pharmaceuticals, a biotechnology company. Dr. Lian holds an MBA in accounting and finance from Indiana University, an MS and Ph.D. in organic chemistry from The University of Michigan, and a BA in chemistry from Whitman College. We believe that Dr. Lian’s experience in the biotechnology industry, as well as his extensive investment banking and other experience in the financial services industry, provide him with the qualifications and skills to serve as a member of our Board and bring relevant strategic and operational guidance to our Board.

There are no family relationships between or among any of Dr. Lian or our directors.

BOARD OF DIRECTORS

Our business and affairs are managed under the direction of our Board, which currently consists of six members. The primary responsibilities of our Board are to provide oversight, strategic guidance, counseling and direction to our management.

In accordance with our amended and restated certificate of incorporation and our amended and restated bylaws, our Board is divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors are divided among the three classes as follows:

- our class III directors are Dr. Lian and Dr. Macartney and their term will expire at the Annual Meeting;
- our class I directors are Mr. Foehr and Mr. Rowland and their term will expire at the annual meeting of stockholders to be held in 2019; and
- our class II directors are Mr. Singleton and Mr. Webster and their term will expire at the annual meeting of stockholders to be held in 2020.

At each annual meeting of stockholders, the successors to the directors whose term will then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. In addition, the authorized number of directors may be changed only by resolution of our Board. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our Board may have the effect of delaying or preventing a change of our management or a change in control.

The names of our current directors, their ages as of April 6, 2018, director class and biographies are listed below. There are no family relationships between or among any of our directors.

Name	Age	Director Class	Position(s)
Lawson Macartney, DVM, Ph.D.	60	Class III	Chairperson of the Board of Directors
Brian Lian, Ph.D.(1)	52	Class III	President and Chief Executive Officer, Director
Matthew W. Foehr	45	Class I	Director
Charles A. Rowland, Jr.	59	Class I	Director
J. Matthew Singleton	65	Class II	Director
Stephen W. Webster	57	Class II	Director

———————

(1)Please see “Executive Officer” on page 9 of this Proxy Statement for Dr. Lian’s biography.

Lawson Macartney, DVM, Ph.D., has served as the Chairperson of the Board since May 2015 and as a member of our Board since May 2014. From January 2017 to June 2017, Dr. Macartney served as CEO of Scout Bio Inc., a gene therapy company developing therapies for companion animals. Dr. Macartney serves on the Board of Dechra PLC, an international animal health pharmaceutical company based in the UK, and on the Supervisory Board of the Netherlands Translational Research Centre, a preclinical biopharmaceutical company based in The Netherlands. He served as President, Chief Executive Officer and a member of the board of directors of Ambrx Inc., a biopharmaceutical company, from February 2013 to June 2015. Prior to Ambrx, Dr. Macartney served at Shire AG, a specialty biopharmaceutical company, as Senior Vice President of the Emerging Business Unit from 2011 to 2013, where he was responsible for discovery initiatives through Phase 3 development of Shire’s Specialty Pharmaceutical portfolio. Prior to joining Shire AG, he served at GSK, a pharmaceutical company, from 1999 to 2011, serving as Senior Vice President of Global Product Strategy and Project/Portfolio Management from 2007 to 2011, as Senior Vice President, Cardiovascular and Metabolic Medicine Development Center from 2004 to 2007, and as Vice

President, Global Head of Cardiovascular, Metabolic and Urology Therapeutic Areas from 1999 to 2004. Prior to joining GSK, Dr. Macartney was employed at Astra Pharmaceuticals from 1998 to 1999 in leadership roles in operations, marketing and sales, and served as Executive Director, Commercial Operations at AstraMerck, Inc., a pharmaceutical company, from 1996 to 1998. Dr. Macartney received his Ph.D. from Glasgow University in Scotland in 1982, where he was a Royal Society Research Fellow, and his B.V.M.S. (equivalent to a D.V.M.) in 1979 from Glasgow University Veterinary School. He is also trained in diagnostic pathology and is a Fellow of the Royal College of Pathologists. We believe that Dr. Macartney's extensive experience in leadership positions at numerous pharmaceutical companies qualifies him to serve on our Board.

Matthew W. Foehr has served as a member of our Board since May 2014. Since February 2015, Mr. Foehr has served as President and Chief Operating Officer of Ligand, and previously served as Executive Vice President and Chief Operating Officer of Ligand Pharmaceuticals Incorporated ("Ligand") from April 2011 to February 2015. He has served on the board of directors of Ritter Pharmaceuticals, Inc. (Nasdaq: RTTR) since February 2015 and currently serves on its audit committee and is Chair of its compensation committee. Mr. Foehr has over 20 years of experience in the pharmaceutical industry, having managed global operations and research and development programs. From March 2010 to April 2011, he was Vice President and Head of Consumer Dermatology R&D, as well as Acting Chief Scientific Officer of Dermatology, in the Stiefel division of GSK. Following GSK's $3.6 billion acquisition of Stiefel Laboratories, Inc., a pharmaceutical company, in 2009, Mr. Foehr led the R&D integration of Stiefel into GSK. At Stiefel Laboratories, Inc., Mr. Foehr served as Senior Vice President of Global R&D Operations, Senior Vice President of Product Development & Support, and Vice President of Global Supply Chain Technical Services from January 2007 to March 2010. Prior to Stiefel, Mr. Foehr held various executive roles at Connetics Corporation, a pharmaceutical company, including Senior Vice President of Technical Operations and Vice President of Manufacturing. Early in his career, Mr. Foehr managed manufacturing activities and worked in process sciences at both LXR Biotechnology Inc. and Berlex Biosciences. Mr. Foehr is the author of multiple scientific publications and is named on numerous U.S. patents. He received his BS in Biology from Santa Clara University. We believe that Mr. Foehr's past service in executive management roles for companies in the pharmaceutical industry and related experience provide him with the qualifications and skills to serve as a member of our Board. Pursuant to the management rights letter between us and Ligand, a greater than 5% holder of our outstanding shares of common stock, dated May 21, 2014, Ligand has the right to nominate one individual for election to our Board, and Mr. Foehr is the current member of our Board nominated by Ligand.

Charles A. Rowland, Jr., MBA, has served as a member of our Board since July 2017. He has served as a member of the board of directors of Blueprint Medicines Corporation since March 2015. From April 2016 to February 2017, Mr. Rowland served as president and chief executive officer of Aurinia Pharmaceuticals Inc., and as a member of the board of directors of Aurinia from July 2014 to February 2017. Mr. Rowland previously served as vice president and chief financial officer of ViroPharma Incorporated, an international biopharmaceutical company, from October 2008 until it was acquired by Shire plc in January 2014. Prior to joining ViroPharma, from 2006 to 2008, Mr. Rowland served as executive vice president and chief financial officer, as well as the interim co-chief executive officer, for Endo Pharmaceuticals Inc., a specialty pharmaceutical company with a primary focus in pain management. Mr. Rowland previously held positions of increasing responsibility at Biovail Pharmaceuticals, Inc., Breakaway Technologies, Inc., Pharmacia Corporation, Novartis AG and Bristol-Myers Squibb Co., each a biopharmaceutical company. Mr. Rowland joined the board of directors of Idenix Pharmaceuticals, Inc., a biopharmaceutical company, in June 2013 and served as a member of its audit committee until Idenix was acquired by Merck & Co., Inc. in August 2014. Mr. Rowland served as a member of the board of directors and chairman of the audit committee of Vitae Pharmaceuticals, Inc. from September 2014 until it was acquired by Allergan in September 2016. Since January 2015, he has served as a member of the supervisory board and chairman of the audit committee and compensation committee of Nabriva Therapeutics, AG, a biotechnology company based in Dublin, Ireland. Mr. Rowland served as a member of the board of directors and chairman of the audit committee of BIND Therapeutics, Inc. from May 2014 to July 2016. Mr. Rowland received a B.S. in Accounting from Saint Joseph's University and an M.B.A. with a finance concentration from Rutgers University. We believe that Mr. Rowland's financial and business expertise in the life sciences industry provide him with the qualifications and skills to serve as a member of our Board.

J. Matthew Singleton has served as a member of our Board since May 2014. In October 2011, Mr. Singleton retired from his position as Executive Vice President and Chief Financial Officer of CitationAir (formerly CitationShares LLC), a privately held jet services company wholly-owned by Textron Inc., a public industrial conglomerate. He had served in this position since 2000. Mr. Singleton has extensive financial, accounting and transactional experience, including through his role as Managing Director, Executive Vice President and Chief Administrative Officer of CIBC World Markets, an investment banking company, for 20 years, from 1974 to 1994, at Arthur Andersen & Co., a public accounting firm, including as Partner-in-Charge of the Metro New York Audit and Business Advisory Practice, and as a Practice Fellow at the Financial Accounting Standards Board, a private organization responsible for establishing financial accounting reporting standards. From 2003 until 2014, Mr. Singleton served as a director of Cubist Pharmaceuticals Inc., and as Audit Committee Chair beginning in 2004. Mr. Singleton previously served as an independent director of Salomon Reinvestment Company Inc., a privately held investment services company. Mr. Singleton received an AB in Economics from Princeton University and his MBA from New York University with a focus in Accounting. We believe that Mr. Singleton's financial, accounting and business expertise provide him with the qualifications and skills to serve as a member of our Board, and are of particular importance as we continue to finance our operations.

Stephen W. Webster has served as a member of our Board since May 2014. Mr. Webster has served as the Chief Financial Officer of Spark Therapeutics, Inc., a biotechnology company, since July 2014. He was previously SVP and Chief Financial Officer of Optimer Pharmaceuticals, Inc., a biotechnology company, from 2012 to 2013, until its acquisition by Cubist Pharmaceuticals, Inc. Prior to joining Optimer, Mr. Webster served as SVP and Chief Financial Officer of Adolor Corporation, a biopharmaceutical company, from June 2008 until its acquisition by Cubist Pharmaceuticals, Inc. in December 2011. From 2007 until joining Adolor Corporation in 2008, Mr. Webster served as Managing Director, Investment Banking Division, Health Care Group for Broadpoint Capital Inc. (formerly First Albany Capital). Mr. Webster previously served as co-founder, President and Chief Executive Officer for Neuronyx, Inc., a biopharmaceutical company, from 2000 to 2006. From 1987 to 2000, Mr. Webster served in positions of increased responsibility, including as Director, Investment Banking Division, Health Care Group for PaineWebber Incorporated. He has served as a Director of Nabriva Therapeutics plc (Nasdaq: NBRV) since August 2016. Mr. Webster holds an AB in Economics cum laude from Dartmouth College and an MBA in Finance from The Wharton School of the University of Pennsylvania. We believe that Mr. Webster's extensive experience in the biopharmaceutical industry, and in particular his current and prior service as chief financial officer and in other executive management roles, provide him with the qualifications and skills to serve as a member of our Board.

CORPORATE GOVERNANCE AND BOARD MATTERS

This section describes key corporate governance guidelines and practices that we have adopted. Complete copies of the charters of the committees of our Board and our Code of Conduct and Ethics described below may be viewed on our internet website at http://ir.vikingtherapeutics.com/governance-highlights under “Committee Charters” and “Governance Documents”. Alternately, you can request a copy of any of these documents free of charge by writing to our Corporate Secretary, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130.

Director Independence

Under the rules and listings standards of The Nasdaq Stock Market LLC (the “Nasdaq Rules”), a majority of the members of our Board must satisfy the Nasdaq criteria for “independence.” No director qualifies as independent under the Nasdaq Rules unless our Board affirmatively determines that the director does not have a relationship with us that would impair independence (directly or as a partner, stockholder or officer of an organization that has a relationship with us). Our Board has determined that Dr. Macartney and Messrs. Singleton, Rowland and Webster are independent directors as defined under the Nasdaq Rules. Dr. Lian is not independent under the Nasdaq Rules as a result of his position as our President and Chief Executive Officer. Mr. Foehr is not independent under the Nasdaq Rules in light of the Master License Agreement, as amended from time to time, and related agreements between us and Ligand, and Mr. Foehr’s position as an executive officer of Ligand.

Board Leadership Structure

Our amended and restated bylaws provide our Board with the discretion to combine or separate the positions of Chairperson of our Board and Chief Executive Officer. Dr. Macartney, who is an independent director, serves as Chairperson of our Board. As a general policy, our Board believes that separation of the positions of Chairperson of our Board and Chief Executive Officer reinforces the independence of our Board from management, creates an environment that encourages objective oversight of management’s performance and enhances the effectiveness of our Board as a whole. We believe that this separation of responsibilities will provide a balanced approach to managing our Board and overseeing the company. However, our Board will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of Board in Risk Oversight Process

Our Board is responsible for overseeing our overall risk management process. The responsibility for managing risk rests with executive management while the committees of our Board and our Board as a whole participate in the oversight process. Our Board’s risk oversight process builds upon management’s risk assessment and mitigation processes, which include reviews of long-term strategic and operational planning, executive development and evaluation, regulatory and legal compliance, and financial reporting and internal controls.

Meetings and Executive Sessions

Our Board meets on a regular basis throughout the year to review significant developments affecting us and to act upon matters requiring its approval. Our Board also holds special meetings as required from time to time when important matters arise requiring Board action between scheduled meetings. During fiscal year 2017, (i) our Board met ten times and acted by unanimous written consent two times, (ii) our audit committee of the Board (the “Audit Committee”) met four times and did not act by unanimous written consent, (iii) our compensation committee of the Board (the “Compensation Committee”) met two times and did not act by unanimous written consent, and (iv) our nominating and corporate governance committee of the Board (the “Nominating and Corporate Governance Committee”) met two times and did not act by unanimous written consent. One of our directors, Charles A. Rowland, Jr., attended fewer than 75% of the total number of meetings held by our Board and the committees (on which and for the period during which the director served) during fiscal year 2017, which was due to his being newly appointed to the Board in 2017 and therefore the number of meetings held during the period of his service on the Board was limited.

As required under applicable Nasdaq listing standards, our independent directors periodically meet in executive session at which only they are present.

Policy Regarding Board Member Attendance at Annual Meetings

It is the policy of our Board to invite directors and nominees for director to attend annual meetings of our stockholders. We held one annual meeting of stockholders in fiscal year 2017, and all of the members of our Board as of such meeting attended the meeting.

Information Regarding Committees of the Board of Directors

Our Board has established a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The following table provides membership information as of the date hereof and meetings held in 2017 for each of these committees of our Board:

Name	Audit	Compensation	Nominating and Corporate Governance
Lawson Macartney, DVM, Ph.D.(1)			X (2)
Brian Lian, Ph.D.			
Matthew W. Foehr			
Charles A. Rowland, Jr.	X(3)	X*(4)	X(5)
J. Matthew Singleton	X*	X	
Stephen W. Webster	X	X(6)	X*
Total meetings in 2017	4	2	2

(1) Dr. Macartney served on the Audit Committee until March 5, 2018.
(2) Dr. Macartney served as Chairperson of the Nominating and Corporate Governance Committee until March 5, 2018.
(3) Mr. Rowland joined the Audit Committee on August 8, 2017.
(4) Mr. Rowland joined the Compensation Committee on March 5, 2018.
(5) Mr. Rowland joined the Nominating and Corporate Governance Committee on March 5, 2018.
(6) Mr. Webster served as Chairperson of the Compensation Committee until March 5, 2018.
*Current Committee Chairperson.

Below is a description of each primary committee of our Board. Members serve on these committees until their resignation, disqualification or removal or until otherwise determined by our Board. Each of these committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. Our Board has determined that each member of each of these committees meets the applicable Nasdaq rules and regulations regarding “independence” and that each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to us.

Audit Committee

We have a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee is comprised of Messrs. Singleton, Rowland and Webster, with Mr. Singleton serving as Chairperson of the committee. Each member of the Audit Committee must be independent as defined under the applicable Nasdaq Rules and SEC rules and financially literate under the Nasdaq Rules. Our Board has determined that each member of the Audit Committee is “independent” and “financially literate” under the Nasdaq Rules and the SEC rules and that Mr. Singleton is an “audit committee financial expert” under the rules of the SEC. The responsibilities of the Audit Committee are included in a written charter. The Audit Committee acts on behalf of our Board in fulfilling our Board’s oversight responsibilities with respect to our corporate accounting and financial reporting processes, the systems of internal control over financial reporting and audits of financial statements, and also assists our Board in its oversight of the quality and integrity of our financial statements and reports and the qualifications, independence and performance of our independent registered public accounting firm. For this purpose, the Audit Committee performs several functions. The Audit Committee's responsibilities include:

- appointing, determining the compensation of, retaining, overseeing and evaluating our independent registered public accounting firm and any other registered public accounting firm engaged for the purpose of performing other review or attest services for us;
- determining the engagement of our independent registered public accounting firm;
- prior to commencement of the audit engagement, reviewing and discussing with the independent registered public accounting firm a written disclosure by the prospective independent registered public accounting firm of all relationships between us, or persons in financial oversight roles, and such independent registered public accounting firm or their affiliates;
- determining and approving engagements of the independent registered public accounting firm, prior to commencement of the engagement, and the scope of and plans for the audit;
- monitoring the rotation of partners of the independent registered public accounting firm on our audit engagement;
- reviewing with management and the independent registered public accounting firm any fraud that includes management or employees who have a significant role in our internal control over financial reporting and any significant changes in internal controls;
- establishing and overseeing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or other auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- reviewing management's efforts to monitor compliance with our policies designed to ensure compliance with laws and rules; and
- reviewing and discussing with management and the independent registered public accounting firm the results of the annual audit and the independent registered public accounting firm's assessment of the quality and acceptability of our accounting principles and practices and all other matters required to be communicated to the Audit Committee by the independent registered public accounting firm under generally accepted accounting standards, the results of the independent registered public accounting firm's review of our quarterly financial information prior to public disclosure and our disclosures in our periodic reports filed with the SEC.

The Audit Committee reviews, discusses and assesses its own performance and composition at least annually. The Audit Committee also periodically reviews and assesses the adequacy of its charter, including its role and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

Typically, the Audit Committee meets at least quarterly and with greater frequency if necessary. Our Board has adopted a written charter of the Audit Committee that is available to stockholders on our internet website at http://ir.vikingtherapeutics.com/governance-highlights under "Committee Charters".

Compensation Committee

Our Compensation Committee is comprised of Messrs. Rowland, Singleton and Webster, with Mr. Rowland serving as Chairperson of the committee. Our Board has determined that each member of the Compensation Committee is "independent" under the Nasdaq Rules and all applicable laws. Each of the members of the Compensation Committee is also a "non-employee director" as that term is defined under Rule 16b-3 of the Exchange Act and an "outside director" as that term is defined in Treasury Regulations Section 1.162-27(3). The Compensation Committee acts on behalf of our Board to fulfill our Board's responsibilities in overseeing our compensation policies, plans and programs;

and in reviewing and determining the compensation to be paid to our executive officers and non-employee directors. The responsibilities of the Compensation Committee include:

- reviewing, modifying and approving (or, if the Compensation Committee deems appropriate, making recommendations to our Board regarding) our overall compensation strategies and policies, and reviewing and approving corporate performance goals and objectives relevant to the compensation of our executive officers and senior management;
- determining and approving (or, if the Compensation Committee deems appropriate, recommending to our Board for determination and approval) the compensation and terms of employment of our Chief Executive Officer, including seeking to achieve an appropriate level of risk and reward in determining the long-term incentive component of the Chief Executive Officer’s compensation;
- determining and approving (or, if the Compensation Committee deems appropriate, recommending to our Board for determination and approval) the compensation and terms of employment of our executive officers and senior management;
- evaluating and approving (or, if it deems appropriate, making recommendations to our Board regarding) corporate performance goals and objectives relevant to the compensation of our executive officers and senior management;
- reviewing and approving (or, if it deems appropriate, making recommendations to our Board regarding) the terms of employment agreements, severance agreements, change-of-control protections and other compensatory arrangements for our executive officers and senior management;
- conducting periodic reviews of the base compensation levels of all of our employees generally;
- reviewing and approving the type and amount of compensation to be paid or awarded to non-employee directors;
- reviewing and approving the adoption, amendment and termination of our stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs, if any; and administering all such plans, establishing guidelines, interpreting plan documents, selecting participants, approving grants and awards and exercising such other power and authority as may be permitted or required under such plans; and
- reviewing our incentive compensation arrangements to determine whether such arrangements encourage excessive risk-taking, and reviewing and discussing the relationship between our risk management policies and practices and compensation, and evaluating compensation policies and practices that could mitigate any such risk, at least annually.

In addition, once we cease to be an “emerging growth company”, as defined in the Jumpstart Our Business Startups Act of 2012, the responsibilities of the Compensation Committee will also include:

- reviewing and recommending to our Board for approval the frequency with which we conduct a vote on executive compensation, taking into account the results of the most recent stockholder advisory vote on the frequency of the vote on executive compensation, and reviewing and approving the proposals regarding the frequency of the vote on executive compensation to be included in our annual meeting proxy statements; and
- reviewing and discussing with management our Compensation Discussion and Analysis, and recommending to our Board that the Compensation Discussion and Analysis be approved for

inclusion in our annual reports on Form 10-K, registration statements and our annual meeting proxy statements.
Our Board has adopted a written charter of the Compensation Committee that is available to stockholders on our internet website at http://ir.vikingtherapeutics.com/governance-highlights under “Committee Charters”. The Compensation Committee meets from time to time during the year. The agenda for each meeting is usually developed by the Chairperson of the Compensation Committee, in consultation with our Chief Executive Officer and other representatives of senior management and human resources as necessary. The Chief Executive Officer may not participate in or be present during any deliberations or determinations of the Compensation Committee regarding his compensation. Under its charter, the Compensation Committee may form, and delegate authority to, subcommittees as appropriate. The Compensation Committee reviews, discusses and assesses its own performance and composition at least annually. The Compensation Committee also periodically reviews and assesses the adequacy of its charter, including its role and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

The Compensation Committee is authorized to retain the services of independent advisers to assist it in carrying out its responsibilities. Since June 2015, Radford has provided compensation consulting services to assist management and the Compensation Committee in assessing and determining competitive compensation packages. Radford is independent from Viking, was engaged directly by the Compensation Committee and has received compensation from Viking only for services provided to the Compensation Committee.

The Compensation Committee meets outside the presence of all of our executive officers, including the named executive officers, in order to consider appropriate compensation for our Chief Executive Officer. For all other named executive officers, the Compensation Committee meets outside the presence of all executive officers except our Chief Executive Officer. The annual performance of our executive officers is considered by the Compensation Committee when making decisions on setting base salary, targets for and payments under our bonus plan and grants of equity incentive awards. When making decisions on executive officers, the Compensation Committee considers the importance of the position to us, the past salary history of the executive officer and the contributions we expect the executive officer to make to the success of our business going forward.

The specific determinations of the Compensation Committee with respect to executive compensation for fiscal year 2017 are described in greater detail in the “Executive Compensation” section of this Proxy Statement.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is comprised of Dr. Macartney and Messrs. Rowland and Webster, with Mr. Webster serving as Chairperson of the committee. Our Board has determined that each member of the Nominating and Corporate Governance Committee is “independent” under the Nasdaq Rules and all applicable laws. The responsibilities of the Nominating and Corporate Governance Committee are included in its written charter. The Nominating and Corporate Governance Committee acts on behalf of our Board to fulfill our Board’s responsibilities in overseeing all aspects of our nominating and corporate governance functions. The responsibilities of the Nominating and Corporate Governance Committee include:

- making recommendations to our Board regarding corporate governance issues;
- identifying, reviewing and evaluating candidates to serve as directors (consistent with criteria approved by our Board);
- determining the minimum qualifications for service on our Board;
- reviewing and evaluating incumbent directors;
- instituting and overseeing director orientation and director continuing education programs;

- serving as a focal point for communication between candidates, non-committee members and our management;
- recommending to our Board for selection candidates to serve as nominees for director for the annual meeting of stockholders;
- making other recommendations to our Board regarding matters relating to the directors;
- reviewing succession plans for our Chief Executive Officer and our other executive officers; and
- considering any recommendations for nominees and proposals submitted by stockholders.

Our Board has adopted a written charter of the Nominating and Corporate Governance Committee that is available to stockholders on our internet website at http://ir.vikingtherapeutics.com/governance-highlights under “Committee Charters”. The Nominating and Corporate Governance Committee meets from time to time as it deems appropriate or necessary.

The Nominating and Corporate Governance Committee also periodically reviews, discusses and assesses the performance of our Board and the committees of our Board. In fulfilling this responsibility, the Nominating and Corporate Governance Committee seeks input from senior management, our Board and others. In assessing our Board, the Nominating and Corporate Governance Committee evaluates the overall composition of our Board, our Board’s contribution as a whole and its effectiveness in serving our best interests and the best interests of our stockholders. The Nominating and Corporate Governance Committee also periodically reviews and assesses the adequacy of its charter, including its roles and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

Consideration of Director Nominees

Director Qualifications

There are no specific minimum qualifications that our Board requires to be met by a director nominee recommended for a position on our Board, nor are there any specific qualities or skills that are necessary for one or more members of our Board to possess, other than as are necessary to meet the requirements of the rules and regulations applicable to us. The Nominating and Corporate Governance Committee may consider a potential director candidate’s integrity, experience, judgment, commitment, skills, diversity, age, gender, race, background, place of residence, areas of expertise, experience serving as a board member or executive officer of other companies, relevant academic expertise and other factors relative to the overall composition of the Board and Board committees, including the following characteristics and factors:

- the highest ethical standards and integrity and a strong personal reputation;
- a background that provides experience and achievement in business, finance, biotechnology or other activities relevant to our business and activities;
- a sound understanding of business strategy, corporate governance and the operations and role of our Board;
- a willingness to act on and be accountable for Board and, as applicable, committee decisions;
- a willingness to act in the best interests of our company and our stockholders;
- a willingness to assist and support our management;

- an ability to provide reasoned, informed and thoughtful counsel to management on a range of issues affecting us and our stockholders;
- an ability to work effectively and collegially with other individuals;
- loyalty and commitment to driving our success and increasing long-term value for our stockholders;
- no material personal, financial, professional or familial interest in any of our present or potential competitors;
- sufficient time to devote to Board and, as applicable, committee membership and matters; and
- the independence requirements imposed by the SEC and Nasdaq.

The Nominating and Corporate Governance Committee retains the right to modify these criteria from time to time.

Security Holder Nominations

The Nominating and Corporate Governance Committee will consider director candidates recommended by our security holders. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the criteria set forth above, based on whether a candidate was recommended by a security holder or not. Security holders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to our Board at the 2019 Annual Meeting of Stockholders must do so by delivering a written recommendation to the Nominating and Corporate Governance Committee, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130, no earlier than the close of business on January 24, 2019, but no later than February 23, 2019, unless the meeting date is more than 30 days before or after May 24, 2019, in which case the written recommendation must be received by our Corporate Secretary no later than the close of business not earlier than the close of business on the 120th day prior to the date of the 2019 Annual Meeting of Stockholders, and no later than the close of business on the later of (1) the 90th day before the date of the 2019 Annual Meeting of Stockholders, or (2) the 10th day following the day on which we first publicly announce (by press release or a filing with the SEC) the date of the 2019 Annual Meeting of Stockholders. Each written recommendation must set forth, among other information:

- the name and address of the security holder and any beneficial owner on whose behalf the nomination is being made (the “Recommending Securityholder”);
- the class, series and number of shares of our capital stock that are, directly or indirectly, owned beneficially and of record by the Recommending Securityholder made as of the date of the written recommendation, and the time period for which such shares have been held;
- a statement from the Recommending Securityholder as to whether such Recommending Securityholder has a good faith intention to continue to hold the reported shares through the date of our next annual meeting of stockholders;
- the proposed director candidate’s full legal name, age, business address and residential address;
- a description of the proposed director candidate’s principal occupation or employment and business experience for at least the previous five years;
- complete biographical information for the proposed director candidate;
- a description of the proposed director candidate’s qualifications as a director;

- the class, series and number of shares of our capital stock which are, directly or indirectly, owned of record and beneficially by the proposed director candidate, and the date or dates on which such shares were acquired and the investment intent of such acquisition;
- a description of all relationships between the Recommending Securityholder and the proposed director candidate, and of all arrangements or understandings between such Recommending Securityholder and the proposed director candidate;
- any other information relating to the proposed director candidate that is required to be disclosed in solicitations for proxies for election of directors in an election contest or that is otherwise required pursuant to Regulation 14A promulgated under the Exchange Act;
- a statement from the Recommending Securityholder supporting such Recommending Securityholder's view that the proposed director nominee possesses the minimum qualifications prescribed by us for nominees, and briefly describing the contributions that the proposed director nominee would be expected to make to the Board and to the governance of Viking; and
- a statement from the Recommending Securityholder whether, in the view of such Recommending Securityholder, the nominee, if elected, would represent all of our stockholders and not serve for the purpose of advancing or favoring any particular stockholder or other constituency of Viking.

Director candidate nominations from stockholders must include the written consent of each proposed nominee (1) consenting to be named as a nominee for election to our Board, (2) consenting to serve as a director, if elected, and (3) consenting to be interviewed by the Nominating and Corporate Governance Committee, if the Nominating and Corporate Governance Committee chooses to do so in its discretion. If a proposed director candidate is recommended by a stockholder in accordance with the procedural requirements discussed above, our Secretary will provide the foregoing information to the Nominating and Corporate Governance Committee.

Evaluating Nominees for Director

Our Nominating and Corporate Governance Committee will consider director candidates who are suggested by members of the committee, other members of our Board, members of management, advisors and our security holders who submit recommendations in accordance with the requirements set forth above. The Nominating and Corporate Governance Committee may, in the future, also retain a third-party search firm to identify candidates on terms and conditions acceptable to the Nominating and Corporate Governance Committee, but to date it has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates. The Nominating and Corporate Governance Committee will evaluate all nominees for director under the same approach whether they are recommended by security holders or other sources.

The Nominating and Corporate Governance Committee will review candidates for director nominees in the context of the current composition of our Board and committees, our operating requirements and the long-term interests of our stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee may consider the director nominee's qualifications, diversity, age, skills and such other factors as it deems appropriate given the current needs of our Board, the committees and our company, to maintain a balance of knowledge, experience, diversity and capability. In the case of an incumbent director whose term of office is set to expire, the Nominating and Corporate Governance Committee may review such director's overall service to our Board, the committees and our company during his or her term, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair such director's independence. In the case of new director candidates, the Nominating and Corporate Governance Committee will also determine whether the nominee must be independent for Nasdaq purposes, which determination will be based upon applicable Nasdaq listing standards and applicable SEC rules and regulations. Although we do not have a formal diversity policy, when considering diversity in evaluating director nominees, the Nominating and Corporate Governance Committee will focus on whether the nominees can contribute varied perspectives, skills, experiences and expertise to our Board.

The Nominating and Corporate Governance Committee will evaluate the proposed director's candidacy, including proposed candidates recommended by security holders, and recommend whether the Board should nominate the proposed director candidate for election by our stockholders.

Stockholder Communications with the Board of Directors

Our Board has adopted a formal process by which security holders may communicate with our Board or any of its directors. Security holders of Viking wishing to communicate with our Board or an individual director may send a written communication to our Board or such director, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130, Attn.: Secretary. Each communication must set forth:

- the name and address of the Viking security holder(s) on whose behalf the communication is sent; and
- the class, series and number of Viking shares that are owned beneficially by the security holder(s) as of the date of the communication.

Each communication will be reviewed by Viking's Secretary to determine whether it is appropriate for presentation to our Board or the individual director. Examples of inappropriate communications include junk mail, spam, mass mailings, product complaints, product inquiries, new product suggestions, resumes, job inquiries, surveys, business solicitations and advertisements, as well as unduly hostile, threatening, illegal, unsuitable, frivolous, patently offensive or otherwise inappropriate material. These screening procedures have been approved by a majority of the independent members of our Board.

Communications determined by our Secretary to be appropriate for presentation to our Board or such director will be submitted to our Board or the individual director on a periodic basis. All communications directed to the Audit Committee in accordance with our "Open Door" Reporting and Non-Retaliation Policy Regarding Accounting and Auditing Matters (the "Open Door Policy") that relate to questionable accounting, internal accounting controls or auditing matters involving the Company generally will be forwarded to a compliance officer designated by the Audit Committee to receive and review these communications and to the chairperson of the Audit Committee, in accordance with the terms of the Open Door Policy. All communications directed to the Nominating and Corporate Governance Committee in accordance with our Code of Conduct and Ethics that relate to non-financial matters (including without limitation purported or suspected violations of any law or regulation, our Code of Conduct and Ethics or other policies) will generally be forwarded to a Compliance Officer designated by the Nominating and Corporate Governance Committee to receive and review these communications and then promptly and directly forwarded by a Compliance Officer to the Nominating and Corporate Governance Committee or our Board, as appropriate, in accordance with the terms of the Code of Conduct and Ethics.

Code of Conduct and Ethics

Our Board has adopted a Code of Conduct and Ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior officers. We have posted the Code of Conduct and Ethics on our website at http://ir.vikingtherapeutics.com/governance-highlights under "Governance Documents". The Code of Conduct and Ethics can only be amended by the approval of the Audit Committee and any waiver to the Code of Conduct and Ethics for an executive officer or director may only be granted by our Audit Committee and must be timely disclosed as required by applicable law. We expect that any amendments to the Code of Conduct and Ethics, or any waivers of its requirements, will be disclosed on our website.

Hedging and Pledging Policies

As part of our insider trading policy, our executives and directors are prohibited from engaging in short sales of our securities and from engaging in hedging and monetization transactions involving our securities. Our insider trading policy does not restrict pledges of securities but requires that pledges of securities be pre-cleared by an insider trading compliance officer.

EXECUTIVE COMPENSATION

Our named executive officers for the year ended December 31, 2017, which consist of our principal executive officer and the other most highly compensated executive officers who were serving as executive officers as of December 31, 2017, are:

- Brian Lian, Ph.D., our Chief Executive Officer; and
- Michael Morneau, our former Chief Financial Officer and current Vice President, Finance and Administration.

Summary Compensation Table

The following table sets forth certain information with respect to the compensation paid to our named executive officers for the fiscal years ended December 31, 2017 and 2016:

Name and Principal Position	Year	Salary ($)	Non-Equity Incentive Plan Compensation[1] ($)	Stock Awards ($)	Option Awards[2] ($)	All Other Compensation ($)	Total ($)
Brian Lian, Ph.D.	2017	440,000	110,000 [2]	-	254,733	-	804,733
Chief Executive Officer	2016	400,000	100,000	-	256,946	-	756,946
Michael Morneau	2017	300,000	52,500 [2]	-	100,360	-	452,860
Former Chief Financial Officer	2016	285,000	63,000	-	85,330	-	433,330

____

(1) The amounts in this column relate to amounts earned by our named executive officers pursuant to our bonus program described below under "-2017 Bonuses".

(2) These amounts represent the aggregate grant date fair value of option awards granted to each named executive officer, computed in accordance with authoritative accounting guidance. These amounts do not represent the actual amounts paid to or realized by the named executive officer. The value as of the grant date for stock options is recognized over the number of days of service required for the stock option to vest in full. As stock-based compensation expense recognized is based on options ultimately expected to vest, the fair value of each employee option grant during the year ended December 31, 2017 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: expected volatility: 85.8%; expected term (in years): 6.09; risk-free interest rate: 1.97%; and expected dividend yield: 0%.

Narrative Disclosure to Summary Compensation Table

Employment Agreements

Employment Agreement - President and Chief Executive Officer

We entered into an employment agreement with Brian Lian, Ph.D., as our President and Chief Executive Officer (the "Lian Employment Agreement"), which became effective on June 2, 2014. The Lian Employment Agreement is subject to automatic renewals for additional one-year periods following June 2, 2015, unless either party gives the other written notice of its or his election to not renew (a "Lian Non-Renewal Notice"). Pursuant to the Lian Employment Agreement, we agreed to nominate Dr. Lian, and to continue to nominate him, to serve as a member of our Board, and Dr. Lian agreed to continue to serve as a member of our Board for as long as he is elected by our

stockholders, until his employment with us is terminated. The Lian Employment Agreement provides that Dr. Lian's base salary is subject to annual review by our Board or Compensation Committee and, if appropriate, increase (but not decrease except in certain limited circumstances). In accordance with the foregoing, effective January 1, 2017, Dr. Lian's annual base salary was increased from $400,000 to $440,000. Additionally, the Lian Employment Agreement provides that Dr. Lian will be eligible to receive a target annual bonus in an amount equal to 50% of his base salary in effect on June 30th of each calendar year for 2016 and after, which bonus will be based on our financial performance and Dr. Lian's individual performance, in each case as determined by our Board or Compensation Committee.

Under the Lian Employment Agreement, on May 4, 2015, Dr. Lian was granted (1) a stock option to purchase 87,500 shares of our common stock, whereby 25% of the shares subject to the option were vested upon grant and 25% of the shares subject to the option will vest on each one-year anniversary of the date of grant for the next three years, so long as Dr. Lian continues to provide service to us on each applicable vesting date; (2) an award of 87,500 shares of common stock, whereby one-third of the shares subject to the award will vest on each one year anniversary of the date of grant for the next three years, so long as Dr. Lian continues to provide service to us on each applicable vesting date, subject to withholding of shares to cover tax withholding obligations arising upon the vesting of shares subject to the award; and (3) an additional award of 16,346 shares of common stock, which were fully vested upon grant (collectively, the "Lian Awards"). The Lian Awards were issued under and subject to the terms and conditions of the 2014 Equity Incentive Plan.

Dr. Lian's employment with us is at-will, meaning either we or Dr. Lian may terminate the employment relationship at any time, with or without cause. However, Dr. Lian must provide at least 60 days' written notice of resignation. If we terminate Dr. Lian's employment, then, so long as Dr. Lian complies with certain obligations, including execution and delivery of a general release within a specified period of time, we will pay Dr. Lian: (1) his base salary as of the termination date for six months following the termination date, if such termination is pursuant to a Lian Non-Renewal Notice, disability or death, or for 12 months in the case of termination other than by Lian Non-Renewal Notice, for cause, disability or death; (2) six monthly payments if such termination is pursuant to a Lian Non-Renewal Notice, disability or death, or 12 monthly payments in the case of termination other than by Lian Non-Renewal Notice, for cause, disability or death, in each case equal to 1/12 of the amount equal to Dr. Lian's target annual bonus percentage as of the termination date multiplied by Dr. Lian's base salary as of such date; and (3) subject to Dr. Lian's timely election of COBRA, the amount equal to the COBRA premiums for the lesser of (a) six months if such termination is pursuant to a Lian Non-Renewal Notice, disability or death, or 12 months in the case of termination other than by Lian Non-Renewal Notice, for cause, disability or death, or (b) until Dr. Lian becomes eligible to enroll in another employer-sponsored group health plan. Additionally, if Dr. Lian's employment is terminated by us (i) pursuant to a Lian Non-Renewal Notice, disability or death, the outstanding equity awards subject to the Lian Awards that would have vested within six months following the termination date will vest and become fully exercisable as of such termination date, and Dr. Lian will have six months from the termination date to exercise vested options under the Lian Awards (unless they terminate sooner pursuant to their terms), and (ii) other than by Lian Non-Renewal Notice, for cause, disability or death, the outstanding equity awards subject to the Lian Awards that would have vested within 12 months following the termination date will vest and become fully exercisable as of the termination date, and Dr. Lian will have 12 months from the termination date to exercise vested options under the Lian Awards (unless they terminate sooner pursuant to their terms). In each case, all other equity awards subject to the Lian Awards will terminate without compensation therefore on the termination date. Furthermore, if Dr. Lian resigns for good reason, he will be entitled to receive the same payments and accelerated vesting as if he had been terminated other than by Lian Non-Renewal Notice, for cause, disability or death, as set forth above.

In the event of a change in control of our company, 100% of the unvested outstanding equity awards granted under the Lian Awards will vest and become fully exercisable immediately prior to the change in control. Additionally, if any vested equity awards held by Dr. Lian are not assumed or substituted for in accordance with certain conditions, we will pay cash to Dr. Lian on the change in control in exchange for the satisfaction and cancellation of the outstanding equity awards. If Dr. Lian’s employment is terminated within 24 months following a change in control, subject to certain conditions, he will be entitled to receive the same payments and accelerated vesting as if he had been terminated other than by Lian Non-Renewal Notice, for cause, disability or death, as set forth above; however, he will be entitled to such payments for a period of 18 months and the vesting of the Lian Awards will be accelerated by 18 months.

Employment Agreement – Former Chief Financial Officer and Current Vice President, Finance and Administration

We entered into an employment agreement with Michael Morneau, as our Chief Financial Officer (the "Morneau Employment Agreement"), which became effective on May 21, 2014. The Morneau Employment Agreement is subject to automatic renewals for additional one-year periods following May 21, 2015, unless either party gives the other written notice of its or his election to not renew (a "Morneau Non-Renewal Notice"). The Morneau Employment Agreement provides that Mr. Morneau's base salary is subject to annual review by our Board or Compensation Committee and, if appropriate, increase (but not decrease except in certain limited circumstances). In accordance with the foregoing, effective January 1, 2017, Mr. Morneau's annual base salary was increased from $285,000 to $300,000. Additionally, the Morneau Employment Agreement provides that Mr. Morneau will be eligible to receive a target annual bonus in an amount equal to 35% of his base salary in effect on June 30th of each calendar year for 2016 and after, which bonus will be based on our financial performance and Mr. Morneau's individual performance, in each case as determined by our Board or Compensation Committee.

Under the Morneau Employment Agreement, on May 4, 2015, Mr. Morneau was granted (1) a stock option to purchase 25,500 shares of our common stock, whereby 25% of the shares subject to the option were vested upon grant and 25% of the shares subject to the option will vest on each one-year anniversary of the date of grant for the next three years, so long as Mr. Morneau continues to provide service to us on each applicable vesting date; (2) an award of 67,000 shares of common stock, whereby one-third of the shares subject to the award will vest on each one-year anniversary of the date of grant for the next three years, so long as Mr. Morneau continues to provide service to us on each applicable vesting date, subject to withholding of shares to cover tax withholding obligations arising upon the vesting of shares subject to the award; and (3) an additional award of 10,404 shares of common stock, which were fully vested upon grant (collectively, the "Morneau Awards"). The Morneau Awards were issued under and subject to the terms and conditions of the 2014 Equity Incentive Plan.

Mr. Morneau's employment with us is at-will, meaning either we or Mr. Morneau may terminate the employment relationship at any time, with or without cause. However, Mr. Morneau must provide at least 60 days' written notice of resignation. If we terminate Mr. Morneau's employment, then, so long as Mr. Morneau complies with certain obligations, including execution and delivery of a general release within a specified period of time, we will pay Mr. Morneau: (1) his base salary as of the termination date for three months following the termination date, if such termination is pursuant to a Morneau Non-Renewal Notice, disability or death, or for six months in the case of termination other than by Morneau Non-Renewal Notice, for cause, disability or death; (2) three monthly payments if such termination is pursuant to a Morneau Non-Renewal Notice, disability or death, or six monthly payments in the case of termination other than by Morneau Non-Renewal Notice, for cause, disability or death, in each case equal to 1/12 of the amount equal to Mr. Morneau's target annual bonus percentage as of the termination date multiplied by Mr. Morneau's base salary as of such date; and (3) subject to Mr. Morneau's timely election of COBRA, the amount equal to the COBRA premiums for the lesser of (a) three months if such termination is pursuant to a Morneau Non-Renewal Notice, disability or death, or six months in the case of termination other than by Morneau Non-Renewal Notice, for cause, disability or death, or (b) until Mr. Morneau becomes eligible to enroll in another employer-sponsored group health plan. Additionally, if Mr. Morneau's employment is terminated by us (i) pursuant to a Morneau Non-Renewal Notice, disability or death, the outstanding equity awards subject to the Morneau Awards that would have vested within three months following the termination date will vest and become fully exercisable as of such termination date, and Mr. Morneau will have three months from the termination date to exercise vested options under the Morneau Awards (unless they terminate sooner pursuant to their terms), and (ii) other than by Morneau Non-Renewal Notice, for cause, disability or death, the outstanding equity awards subject to the Morneau Awards that would have vested within six months following the termination date will vest and become fully exercisable as of the termination date, and Mr. Morneau will have six months from the termination date to exercise vested options under the Morneau Awards (unless they terminate sooner pursuant to their terms). In each case, all other equity awards subject to the Morneau Awards will terminate without compensation therefore on the termination date. Furthermore, if Mr. Morneau resigns for good reason, he will be entitled to receive the same payments and accelerated vesting as if he had been terminated other than by Morneau Non-Renewal Notice, for cause, disability or death, as set forth above.

In the event of a change in control of our company, 100% of the unvested outstanding equity awards granted under the Morneau Awards will vest and become fully exercisable immediately prior to the change in control. Additionally, if any vested equity awards held by Mr. Morneau are not assumed or substituted for in accordance with certain conditions, we will pay cash to Mr. Morneau on the change in control in exchange for the satisfaction and cancellation of the outstanding equity awards. If Mr. Morneau's employment is terminated within 24 months following a change in control, subject to certain conditions, he will be entitled to receive the same payments and accelerated vesting as if he had been terminated other than by Morneau Non-Renewal Notice, for cause, disability or death, as set forth above; however, he will be entitled to such payments for a period of 12 months and the vesting of the Morneau Awards will be accelerated by 12 months.

Effective April 6, 2018, Mr. Morneau's title was changed to Vice President, Finance and Administration.

2017 Bonuses

In March 2017, the Compensation Committee adopted corporate performance objectives for the 2017 bonus program for our named executive officers based on milestones that primarily included the topline data readouts for VK5211 and VK2809 Phase 2 clinical trials, completion of a proof-of-concept study in GSD Ia, the completion of a financing, signing partnerships for one or two of the Company's programs, expansion of infrastructure and human capital, an increase in our institutional stockholder base and completing a second financing.

The Compensation Committee determined that, on a whole, not all of the corporate goals were met during 2017. Accordingly, on January 19, 2018, the Compensation Committee approved the following bonuses for our named executive officers:

- a bonus of $110,000 for Dr. Lian, and
- a bonus of $52,500 for Mr. Morneau.

The bonus amount awarded to Dr. Lian for 2017 was equal to 25% of his base compensation (representing 50% of his target bonus for 2017 of 50% of his base compensation). The bonus amount awarded to Mr. Morneau for 2017 was equal to 17.5% of his base compensation (representing 50% of his target bonus for 2017 of 35% of his base compensation).

Potential Payments Upon Termination or Change in Control

Our named executive officers will be entitled to receive certain payments and benefits upon termination of their employment or a change in control of our company, as described under the section entitled "-Employment Agreements" beginning on page 22 of this Proxy Statement.

Perquisites, Health, Welfare and Retirement Plans and Benefits

Health and Welfare Benefits

Our named executive officers are eligible to participate in all of our employee benefit plans, including our medical, dental, vision, group life and disability insurance plans, in each case on the same basis as other employees.

Perquisites and Personal Benefits

We do not currently provide perquisites or personal benefits to our named executive officers.

Pension Benefits and Non-Qualified Deferred Compensation

Commencing as of November 30, 2015, we maintain a 401(k) defined contribution plan in which all of our employees age 21 and older and who work, on average, at least 20 hours per week, are entitled to participate. Employees contribute their own funds, as salary deductions, on a pre-tax basis. Contributions will be permitted to be made up to plan limits, subject to government limitations. We do not currently intend to provide full or partial matching contributions under the 401(k) plan.

Outstanding Equity Awards at December 31, 2017

The following table presents the outstanding option and stock awards held by each of our named executive officers as of December 31, 2017.

		Options Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Brian Lian, Ph.D.	1/5/2017 (1)	—	250,000	$ 1.23	1/5/2027	—	—	—	—
	1/5/2017	34,931	—	$ 1.23	1/5/2027	—	—	—	—
	3/14/2016	54,336	—	$ 1.88	3/14/2026	—	—	—	—
	3/4/2016 (1)	31,250	93,750	$ 2.15	3/4/2026	—	—	—	—
	5/4/2015 (2)	65,625	21,875	$ 9.49	5/4/2025	—	—	—	—
	5/4/2015	—	—	—	—	—	—	29,166 (3)	$276,785 (4)
	2/20/2014	—	—	—	—	183,095 (5)	$30,778 (6)	—	—
Michael Morneau	1/5/2017 (1)	—	95,000	$ 1.23	1/5/2027	—	—	—	—
	1/5/2017	17,605	—	$ 1.23	1/5/2027	—	—	—	—
	3/14/2016	19,934	—	$ 1.88	3/14/2026	—	—	—	—
	3/4/2016 (1)	10,000	30,000	$ 2.15	3/4/2026	—	—	—	—
	5/4/2015 (2)	19,125	6,375	$ 9.49	5/4/2025	—	—	—	—
	5/4/2015	—	—	—	—	—	—	22,333 (3)	$211,940 (4)

---

(1) The shares subject to each stock option vest over a four-year period, with 25% of the shares subject to the option vesting on each anniversary of the grant date, with partial or full vesting under certain circumstances, including upon a change in control of our company or various events specified in the named executive officer's employment agreement, if applicable. The option awards remain exercisable until they expire ten years from the date of grant

subject to earlier expiration following termination of employment.

(2) The shares subject to each stock option vest over a three-year period, with 25% of the shares subject to the option vested on the grant date and 25% of the shares subject to the option vesting on each anniversary of the grant date, with partial or full vesting under certain circumstances, including upon a change in control of our company or various events specified in the named executive officer's employment agreement, if applicable. The option awards remain exercisable until they expire ten years from the date of grant subject to earlier expiration following termination of employment.

(3) The shares subject to each restricted stock award vest over a three-year period, with one-third of the shares subject to the restricted stock award vesting on each anniversary of the grant date, with partial or full vesting under certain circumstances, including upon a change in control of our company or various events specified in the named executive officer's employment agreement, if applicable.

(4) These amounts represent the aggregate grant date fair value of restricted stock awards granted to each named executive officer. These amounts do not represent the actual amounts paid to or realized by the named executive officer. The value as of the grant date for the restricted stock awards is calculated based on the number of shares granted and the grant date market price and is recognized once the requisite service period for the restricted stock is satisfied. The grant date fair value per share was $9.49 at May 4, 2015.

(5) These shares are subject to a repurchase option and vest upon the achievement of a milestone set forth in the Common Stock Purchase Agreement, as amended, pursuant to which these shares were issued.

(6) The amount represents the aggregate grant date fair value of a stock award granted to the named executive officer, computed in accordance with authoritative accounting guidance. This amount does not represent the actual amount paid to or realized by the named executive officer. The Company utilized a Monte Carlo simulation method to determine the fair value of the performance-based shares as of the issuance date. The Monte Carlo simulation method takes into consideration the expected timing of the performance milestones, probability of achieving the milestones and estimated per share common stock prices at expected vesting dates.

Non-Employee Director Compensation

Our Board has adopted a compensation policy for our non-employee directors that consists of annual retainer fees and long-term equity awards. Under this policy, each non-employee director will receive an annual retainer of $33,170 for serving on our Board. The Chairperson of our Board will receive an additional annual retainer of $32,800, the chairperson of the Audit Committee will receive an additional annual retainer of $16,650, the chairperson of the Compensation Committee will receive an additional annual retainer of $11,350 and the chairperson of the Nominating and Corporate Governance Committee will receive an additional annual retainer of $9,280. Each other member of the Audit Committee will receive an additional annual retainer of $8,900, each other member of the Compensation Committee will receive an additional annual retainer of $6,750 and each other member of the Nominating and Corporate Governance Committee will receive an additional annual retainer of $4,900. All cash retainers will be earned on a quarterly basis based on a calendar quarter, and, if applicable, will be prorated for the portion of the calendar quarter during which such non-employee director actually serves on our Board or a committee thereof, and will be paid in arrears no later than the 30th day following the end of each calendar quarter.

In addition to cash fees, each non-employee director will be granted on the first business day of each calendar year a stock option to purchase 16,000 shares of our common stock. If a non-employee director joins our Board other than at an annual meeting of our stockholders, such non-employee director will be granted on the date such individual first becomes appointed or elected as a non-employee director (1) a stock option to purchase 32,000 shares of our common stock and (2) a stock option to purchase 16,000 shares of our common stock, reduced pro rata for each day prior to the date of grant that has elapsed since January 1st of the year in which the individual first becomes a non-employee director. Annual equity awards and equity awards granted to new non-employee directors will vest in full on the one-year anniversary of the applicable date of grant, subject to the director’s continuous service through such date.

Each initial equity award and each annual equity award will have a maximum term of ten years and will be made in the form of nonstatutory stock options. For any non-employee director serving at the time of a change in control of our company (as defined in our 2014 Equity Incentive Plan), all then-outstanding and unvested compensatory equity awards granted under the non-employee director compensation policy would become fully vested and exercisable, if applicable, immediately prior to the change in control.

The following table sets forth summary information concerning compensation paid or accrued to the members of our Board for services rendered to us for the fiscal year ended December 31, 2017.

Name [1]	Fees Earned or Paid in Cash	Option Awards [2][3]	Total
Lawson Macartney, DVM, Ph.D. [4]	$84,150	$13,278	$97,428
Matthew W. Foehr [4]	$33,170	$13,278	$46,448
Charles A. Rowland, Jr.[5]	$20,126	$29,616	$49,742
J. Matthew Singleton [4]	$56,570	$13,278	$69,848
Stephen W. Webster [4]	$58,320	$13,278	$71,598

(1) Brian Lian, Ph.D., our President and Chief Executive Officer and a named executive officer, is not included in this table as he is an employee of ours and therefore receives no compensation for his service as a director. Dr. Lian's compensation is included in the section entitled "Summary Compensation Table" on page 22 of this Proxy Statement.

(2) On January 3, 2017, each of our then-current non-employee directors received an unvested option to purchase 16,000 shares of our common stock, which became fully vested on January 3, 2018.

(3) These amounts represent the aggregate grant date fair value of option awards granted to each listed director in 2017, computed in accordance with authoritative accounting guidance. These amounts do not represent the actual amounts paid to or realized by the directors during 2017. The value as of the grant date for stock options is recognized over the number of days of service required for the stock option to vest in full. As stock-based compensation expense recognized is based on options ultimately expected to vest, the fair value of each employee option grant during the year ended December 31, 2017 was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: expected volatility: 84.03%; expected term (in years): 5.5; risk-free interest rate 1.97%; and expected dividend yield: 0%. For a detailed description of the assumptions used for purposes of determining grant date fair value, see Note 7 to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 7, 2018.

(4) Total options to purchase shares of our common stock held by this director as of December 31, 2017 were 52,786.

(5) Mr. Rowland was appointed to our Board effective July 1, 2017. In connection with his appointment to our Board, on July 1, 2017, he was granted an option to purchase 40,000 shares of our common stock, which will vest in full on July 1, 2018. As of December 31, 2017, Mr. Rowland held options to purchase an aggregate of 40,000 shares of our common stock.

AUDIT RELATED MATTERS

Audit Committee Report

The following is the Audit Committee's report submitted to our Board for fiscal year 2017.

The Audit Committee has:

- reviewed and discussed our audited financial statements with management and Marcum LLP, our independent registered public accounting firm;
- discussed with Marcum LLP the matters required to be discussed by Auditing Standard No. 16 Communications with Audit Committees, as adopted by the Public Company Accounting Oversight Board; and
- received from Marcum LLP the written disclosures and the letter regarding their communications with the Audit Committee concerning independence as required by the Public Company Accounting Oversight Board and discussed the auditors' independence with them.

In addition, the Audit Committee has met separately with management and with Marcum LLP as part of the Audit Committee's quarterly meetings.

Based on the review and discussions referred to above, the Audit Committee recommended to our Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the SEC. The Audit Committee also has selected and engaged Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018, and is seeking ratification of the selection by our stockholders.

Audit Committee
Lawson Macartney, DVM, Ph.D.
J. Matthew Singleton

Charles A. Rowland, Jr.
Stephen W. Webster

This foregoing audit committee report is not "soliciting material", is not deemed "filed" with the SEC, and shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing of ours under the Securities Act of 1933, as amended, or under the Exchange Act, except to the extent we specifically incorporate this report by reference.

Audit Committee's Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm, Marcum LLP. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of the independent registered public accounting firm or on an individual case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting. By the adoption of this policy, the Audit Committee has delegated the authority to pre-approve services to the Chairperson of the Audit Committee, subject to certain limitations.

The Audit Committee has determined that the rendering of the services other than audit services by Marcum LLP is compatible with maintaining the independent registered public accounting firm's independence.

Principal Accountant Fees and Services

The following table represents aggregate fees billed to us for the fiscal years ended December 31, 2017 and December 31, 2016 by Marcum LLP, our independent registered public accounting firm for such periods. All fees described below were approved by the Audit Committee.

	Fiscal Year Ended December 31,	
	2017	2016
Audit Fees (1)	$159,160	$155,921
Audit-Related Fees (2)	74,572	157,230
Tax Fees	-	-
All Other Fees (3)	3,145	-
Total Fees	$236,877	$313,151

---

(1) Audit fees consist of fees billed for services rendered for the audit of our annual financial statements, including review of the interim financial statements included in quarterly reports.

(2) Audit-related fees consist of fees for assurance and related services that are traditionally performed by our independent registered public accounting firm and include fees reasonably related to the performance of the audit or review of our financial statements and not reported under the caption “Audit Fees” and includes review of our registration statement for our initial and subsequent public offerings, and related services that are normally provided in connection with statutory and regulatory filings or engagements.

(3) All Other Fees consist of fees related to a Marcum conference that Viking attended and presented at.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

Overview

The term of office of the two Class III directors expires in 2018. Based on the recommendation of our Nominating and Corporate Governance Committee, our Board has nominated Dr. Brian Lian and Dr. Lawson Macartney for election to our Board as the Class III directors. If elected at the Annual Meeting, each of Dr. Brian Lian and Dr. Lawson Macartney would serve until the 2021 Annual Meeting of Stockholders and until his respective successor is elected and qualified or, if sooner, until his respective death, resignation or removal. Under this standard, a "plurality" means the nominee receiving the most "For" votes will be elected to our Board.

Nominees

The Nominating and Corporate Governance Committee recommended, and our Board nominated, the following individuals for election for a three-year term expiring at the 2021 Annual Meeting of Stockholders:

Nominee	Term in Office
Brian Lian, Ph.D.	Continuing in Office Until the 2021 Annual Meeting of the Stockholders
Lawson Macartney, DVM, Ph.D.	Continuing in Office Until the 2021 Annual Meeting of the Stockholders

Each of the nominees has agreed to serve as a director if elected. We have no reason to believe that the nominees will be unable to serve. The section titled "Board of Directors" beginning on page 10 of this Proxy Statement contains the nominees' biographies.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE FOR THE ELECTION OF THE NOMINEES NAMED ABOVE.

The following directors will remain in office until the date specified below:

Current Directors	Class and Remaining Term in Office
Matthew W. Foehr	Class I - Continuing in Office Until the 2019 Annual Meeting of the Stockholders
Charles A. Rowland, Jr.	Class I - Continuing in Office Until the 2019 Annual Meeting of the Stockholders
J. Matthew Singleton	Class II - Continuing in Office Until the 2020 Annual Meeting of the Stockholders
Stephen W. Webster	Class II - Continuing in Office Until the 2020 Annual Meeting of the Stockholders

PROPOSAL NO. 2

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board has selected Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018, and has further directed that management submit the selection of our independent registered public accounting firm for ratification by the stockholders at the Annual Meeting.

Marcum LLP was appointed as our independent registered public accounting firm in April 2014 and has reported on our financial statements for years 2012-2017. The decision to select Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 was recommended by our Audit Committee and approved by our Board.

Representatives of Marcum LLP are expected to be present at the Annual Meeting. The representatives of Marcum LLP will be able to make a statement at the Annual Meeting if they wish and will be available to respond to appropriate questions.

Neither our Bylaws nor other governing documents or law require that our stockholders ratify the selection of Marcum LLP as our independent registered public accounting firm. However, the Audit Committee is submitting the selection of Marcum LLP to the stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of different independent registered public accounting firms at any time during the year if it determines that such a change would be in the best interests of Viking and our stockholders.

Although our stockholders are not required to ratify the selection of Marcum LLP as our independent registered public accounting firm, because we have submitted the ratification of our registered public accounting firm for approval by stockholders, the affirmative vote of the holders of a majority of the shares present in person or represented by proxy and voting at the Annual Meeting (which shares voting affirmatively also constitute at least a majority of the required quorum) will be required to ratify the selection of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE FOR THE RATIFICATION OF THE SELECTION OF MARCUM LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR OUR FISCAL YEAR ENDING DECEMBER 31, 2018.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of April 2, 2018, with respect to the beneficial ownership of shares of our common stock by:

- each of our directors;
- each of our named executive officers;
- all of our current directors and executive officers as a group; and
- each person or group known to us to be the beneficial owner of more than five percent of our common stock.

This table is based upon information supplied by officers, directors and principal stockholders and a review of Schedules 13D and 13G, if any, filed with the SEC. Other than as set forth below, we are not aware of any other beneficial owner of more than five percent of our common stock as of April 2, 2018. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 50,933,195 shares of common stock outstanding as of April 2, 2018, adjusted as required by rules promulgated by the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options that are either immediately exercisable or exercisable on or before June 1, 2018, which is 60 days after April 2, 2018. These shares are deemed to be outstanding and beneficially owned by the person holding such options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130.

	Beneficial Ownership of Common Stock	
Name of Beneficial Owner	Number of Shares	Percent of Class (1)
Named Executive Officers and Directors:		
Brian Lian, Ph.D. (2)	1,754,865	3.4%
Michael Morneau (3)	193,440	*
Matthew W. Foehr (4)	112,036	*
Lawson Macartney, DVM, Ph.D. (5)	52,786	*
Charles A. Rowland, Jr.	-	-
J. Matthew Singleton (5)	52,786	*
Stephen W. Webster (5)	52,786	*
All current executive officers and directors as a group (6 persons)(6)	2,025,259	3.9%
Greater than 5% Stockholders:		
Ligand Pharmaceuticals Incorporated (7)	7,820,964	14.9%
Boxer Capital, LLC (8)	3,000,000	5.9%

*Less than one percent.

(1) For each person and group included in this table, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of shares of common stock outstanding as of April 2, 2018, plus the number of shares of common stock that such person or group had the right to acquire within 60 days after April 2, 2018.
(2) Consists of: (a) 1,453,098 shares of common stock owned directly, of which 1,270,003 are vested or will vest within 60 days of April 2, 2018, and (b) 301,767 shares of common stock issuable upon exercise of options exercisable within 60 days of April 2, 2018.
(3) Consists of: (a) 86,651 shares of common stock owned directly, of which 86,681 are vested or will vest within 60 days of April 2, 2018, and (b) 106,789 shares of common stock issuable upon exercise of options exercisable within 60 days of April 2, 2018.
(4) Consists of: (a) 39,250 shares of common stock owned directly, (b) 52,786 shares of common stock issuable upon exercise of options exercisable within 60 days of April 2, 2018, and (c) 20,000 shares of common stock issuable upon exercise of warrants exercisable within 60 days of April 2, 2018.
(5) Consists solely of shares of common stock issuable upon exercise of options exercisable within 60 days of April 2, 2018.
(6) Consists of: (a) 1,492,348 shares of common stock owned directly by all of our current executive officers and directors, of which 1,309,253 are vested or will vest within 60 days of April 2, 2018, (b) 512,911 shares of common stock issuable upon exercise of options exercisable within 60 days of April 2, 2018, and (c) 20,000 shares of common stock issuable upon exercise of warrants exercisable within 60 days of April 2, 2018.
(7) Ligand Pharmaceuticals Incorporated's address is 3911 Sorrento Valley Blvd, #110, San Diego, CA 92121. Consists of: (a) 5,418,490 shares of common stock owned directly by Ligand Pharmaceuticals Incorporated, or Ligand, (b) 882,474 shares of common stock owned by Metabasis Therapeutics, Inc., a wholly-owned subsidiary of Ligand, and (c) 1,520,000 shares of common stock issuable upon exercise of warrants held by Ligand that are exercisable within 60 days of April 2, 2018. Beneficial ownership is based solely on information contained in the Schedule 13D/A filed with the Securities and Exchange Commission on April 15, 2016 by Ligand.
(8) Boxer Asset Management Inc. ("Boxer Management") is the managing member and majority owner of Boxer Capital, LLC ("Boxer Capital"). Joe Lewis is the sole indirect beneficial owner of and controls Boxer Management. Beneficial ownership is based solely on information contained in the Schedule 13G filed with the Securities and Exchange Commission on February 12, 2018 by Boxer Management, Boxer Capital and Mr. Lewis. The principal business address of Boxer Capital is: 11682 El Camino Real, Suite 320, San Diego, CA 92130. The principal business address of Boxer Management and Joe Lewis is: Cay House, EP Taylor Drive N7776, Lyford Cay, New Providence, Bahamas.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth additional information as of December 31, 2017 with respect to the shares of common stock that may be issued upon the exercise of options and other rights under our existing equity compensation plans and arrangements in effect as of December 31, 2017. The information includes the number of shares covered by, and the weighted average exercise price of, outstanding options and the number of shares remaining available for future grant, excluding the shares to be issued upon exercise of outstanding options.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted- average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	1,622,114	$2.60	1,363,086(2)
Equity compensation plans not approved by security holders (3)	-	-	-
Total	1,622,114	$2.60	1,363,086

(1) Comprised of the 2014 Equity Incentive Plan (the "2014 EIP") and the 2014 Employee Stock Purchase Plan (the "2014 ESPP").

(2) Comprised solely of 669,698 shares subject to awards available for future issuance under the 2014 EIP and 693,388 shares of common stock that may be issued under the 2014 ESPP, in each case as of December 31, 2017. Pursuant to the terms of the 2014 EIP, the share reserve of the 2014 EIP will automatically increase on January 1st, through fiscal 2024, by 3.5% of the total number of shares of our common stock outstanding on December 31st of the preceding calendar year. Pursuant to the terms of the 2014 ESPP, the share reserve of the 2014 ESPP will automatically increase on January 1st, through fiscal 2024, by 1% of the total number of shares of our common stock outstanding on December 31st of the preceding calendar year.

(3) As of December 31, 2017, we did not have any equity compensation plans that were not approved by our stockholders.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who beneficially own more than ten percent of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and our other equity securities. Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during the fiscal year ended December 31, 2017, our officers, directors and greater than ten percent beneficial owners complied with all Section 16(a) filing requirements applicable to them.

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS

Policies and Procedures for Related Party Transactions

Our Board has adopted a written related person transaction policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”), any transaction, arrangement, or relationship, or any series of similar transactions, arrangements, or relationships in which we were or are to be a participant, the amount involved exceeds $120,000, and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness, and employment by us of a related person. A related person is any individual who is, or who has been since the beginning of our last fiscal year, one of our directors or executive officers, or a nominee to become one of our directors, or any person known to be the beneficial owner of more than 5% of any class of our voting securities, or any immediate family member of any of the foregoing persons. Additionally, any firm, corporation or other entity by which any of the foregoing persons is employed or in which such person is a general partner or principal, or in a similar position, or in which such person has a 10% or greater beneficial ownership interest, will also be deemed to be a related person. Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. As provided by our audit committee charter, our Audit Committee is responsible for reviewing and approving in advance any related party transaction.

Transactions with Related Persons

In addition to the director and executive officer compensation arrangements discussed in the section of this Proxy Statement entitled “Executive Compensation,” the following is a summary of material provisions of transactions since January 1, 2017 that we have been a party to and in which the amount involved exceeded or will exceed the lesser of $120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years, and in which any of our directors, executive officers, beneficial owners of more than 5% of our capital stock, or their immediate family members, have had or will have a direct or indirect material interest.

Agreements with Ligand

On May 21, 2014, we entered into the Master License Agreement with Ligand, a greater than 5% holder of our outstanding common stock, pursuant to which Ligand granted us worldwide rights under (1) patents related to SARM Compounds, TRß Compounds, FBPase Compounds, EPOR Compounds and DGAT-1 Compounds; (2) related know-how controlled by Ligand; and (3) physical quantities of SARM, TRß, FBPase, EPOR and DGAT-1 Compounds. In connection with the Master License Agreement, we also entered into a Loan and Security Agreement with Ligand, dated May 21, 2014, as amended on April 8, 2015 and January 22, 2016, and issued to Ligand a Secured Convertible Promissory Note (the “Ligand Note”), pursuant to which Ligand loaned us an initial principal amount of $2,500,000. From May 21, 2014 to January 21, 2016, the principal amount outstanding under the loans accrued interest at a fixed per annum rate equal to the lesser of 5.0% and the maximum interest rate permitted by law. Effective as of January 22, 2016, the principal amount outstanding under the loans accrues interest at a fixed per annum rate equal to the lesser of 2.5% and the maximum interest rate permitted by law. In the event we default under the loans, the loans will accrue interest at a fixed per annum rate equal to the lesser of 8% and the maximum interest rate permitted by law. Pursuant to the terms of the Loan and Security Agreement and the Ligand Note, the loans will become due and payable upon the written demand of Ligand at any time after the earlier to occur of an event of default under the Loan and Security Agreement or the Ligand Note, or May 21, 2018, unless the loans are repaid in cash or converted into equity prior to such time. On April 13, 2016, we completed an underwritten public offering of our common stock and warrants to purchase shares of our common stock (the “April 2016 Offering”). Under the terms

of the Loan and Security Agreement; upon the consummation of the April 2016 Offering, we were required to repay $1,500,000 of the Ligand Note obligation to Ligand. Accordingly, we repaid $1,500,000 of the Ligand Note with $300,000 paid in cash and $1,200,000 paid in the form of 960,000 shares of our common stock and a warrant to purchase up to 960,000 shares of our common stock (the “Ligand Warrant”). The Ligand Warrant has an exercise price of $1.50 per share of common stock, was immediately exercisable upon issuance and will expire on April 13, 2021.
On May 8, 2017, we entered into an amendment to the Loan and Security Agreement, which (1) extended the maturity date of the loans from May 21, 2017 to May 21, 2018, and (2) provided that we were required to make a repayment in the amount of

$200,000, or the Required Repayment. We made the Required Repayment on July 13, 2017. The Required Repayment was applied, first, to accrued and unpaid interest on the loans and, second, to the unpaid principal amount of the Loans. Each $1.00 of value of the Required Repayment reduced the amount of accrued and unpaid interest and then unpaid principal amount on the Loans by $0.50. In connection with the Master License Agreement, we also entered into a Registration Rights Agreement with Ligand, pursuant to which we granted certain registration rights to Ligand with respect to the securities issued by us to Ligand under the Master License Agreement and the securities issued or issuable by us to Ligand pursuant to the Ligand Note. On February 14, 2017, we filed a Registration Statement on Form S-3 under the Securities Act covering the resale of the full amount of the securities issued or issuable by us to Ligand under the Master License Agreement and the Ligand Note. This Registration Statement was declared effective on March 27, 2017.

Pursuant to the management rights letter between us and Ligand, dated May 21, 2014, Ligand has the right to nominate one individual for election to our board of directors. Matthew W. Foehr, Ligand's President and Chief Operating Officer, is the current member of our board of directors nominated by Ligand.

Limitation of Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors are not personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the General Corporation Law of the State of Delaware (the "DGCL"); and
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

Our amended and restated certificate of incorporation provides that we will, under certain circumstances, indemnify our directors, officers, employees or agents, subject to any provisions contained in our amended and restated bylaws. Our amended and restated bylaws provide that we will indemnify, to the fullest extent permitted by law, any person who is or was or is made a party or is threatened to be made a party to, or is otherwise involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was one of our directors or officers, or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all expense, liability and loss (including, among other things, attorney's fees and amounts paid in settlement) reasonably incurred or suffered by such director, officer, employee or agent in connection therewith, subject to certain conditions. Our amended and restated bylaws also provide us with the power to, to the extent authorized by our Board, grant rights to indemnification and to advancement of expenses to any of our employees or agents to the fullest extent indemnification may be granted to our directors and officers. In addition, our amended and restated bylaws also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to certain exceptions.

Further, we have indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding, subject to certain exceptions. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we entered into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

Our amended and restated bylaws provide that we may purchase and maintain insurance, at our expense, to protect us and any person who is or was a director, officer, employee or agent of us or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not we would have the power to indemnify such person against such expense, liability or loss under the DGCL. We maintain insurance under which, subject to the limitations of the insurance policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our Board.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

HOUSEHOLDING

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for Notices of Internet Availability of Proxy Materials or other Annual Meeting materials with respect to two or more stockholders sharing the same address by delivering a single Notice of Internet Availability of Proxy Materials or other Annual Meeting materials addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are our stockholders will be "householding" our proxy materials. A single Notice of Internet Availability of Proxy Materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate Notice of Internet Availability of Proxy Materials, please notify your broker or us. Direct your written request to our Corporate Secretary, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130 or contact our Corporate Secretary at (858) 704-4660. Stockholders who currently receive multiple copies of the Notice of Internet Availability of Proxy Materials at their addresses and would like to request "householding" of their communications should contact their broker or our Corporate Secretary in the same manner described above. In addition, we will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the Notice of Internet Availability of Proxy Materials to a stockholder at a shared address to which a single copy of the documents was delivered.

ADDITIONAL DOCUMENTS

This Proxy Statement contains summaries of certain agreements that we have filed as exhibits to various SEC filings. The descriptions of these agreements contained in this Proxy Statement do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements.

Any statement contained herein shall be deemed to be modified or superseded for purposes of this Proxy Statement to the extent that a statement contained herein, in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified and superseded, to constitute a part of this Proxy Statement.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and copies of the definitive agreements summarized in this Proxy Statement, are available without charge upon written request to: Corporate Secretary, c/o Viking Therapeutics, Inc., 12340 El Camino Real, Suite 250, San Diego, CA 92130.

OTHER MATTERS

Our Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ Lawson Macartney, DVM, Ph.D.
Lawson Macartney, DVM, Ph.D.
Chairperson of the Board

April 6, 2018

You are cordially invited to attend the annual meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy or submit your proxy through the Internet or by telephone as promptly as possible in order to ensure your representation at the meeting. If you have requested physical materials to be mailed to you, then a return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience if you wish to submit your proxy by mail. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other agent and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

VIKING THERAPEUTICS, INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned, a stockholder of Viking Therapeutics, Inc., hereby appoints Brian Lian, Ph.D. and Michael Morneau, and each of them, as proxies, with full power or substitution, to vote on behalf of the undersigned the number of shares which the undersigned is entitled to vote, at the Annual Meeting of Stockholders of Viking Therapeutics, Inc., to be held at 12340 El Camino Real, Suite 250, San Diego, CA 92130 on Thursday, May 24, 2018 at 8:00 a.m. Pacific Time, and at any and all postponements or adjournments thereof, with all the powers which the undersigned would possess if personally present in the manner directed herein.

This Proxy is governed by the laws of the State of Delaware.

(Continued and to be signed on the reverse side.)

ANNUAL MEETING OF STOCKHOLDERS OF

VIKING THERAPEUTICS, INC.

May 24, 2018PROXY VOTING INSTRUCTIONS

INTERNET - Access “www.voteproxy.com” and follow the on-screen

instructions or scan the QR code with your smartphone. Have your

proxy card available when you access the web page.

TELEPHONE - Call toll-free 1-800-PROXIES (1-800-776-9437) in

the United States or 1-718-921-8500 from foreign countries from

any touch-tone telephone and follow the instructions. Have your

proxy card available when you call.

Vote online/by phone until 11:59 PM EST the day before the meeting.

MAIL - Sign, date and mail your proxy card in the envelope

provided as soon as possible.

IN PERSON - You may vote your shares in person by attending

the Annual Meeting.

GO GREEN - e-Consent makes it easy to go paperless. With

e-Consent, you can quickly access your proxy material, statements

and other eligible documents online, while reducing costs, clutter

and paper waste. Enroll today via www.astfinancial.com to enjoy

online access.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS:

The Notice of Meeting, proxy statement and proxy card

are available at http://www.astproxyportal.com/ast/20061/

Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF THE DIRECTOR NOMINEES AND "FOR" PROPOSAL 2.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE

ELECTION OF DIRECTOR NOMINEES FOR CLASS III (term to expire

in 2021):

FOR ALL NOMINEES

WITHHOLD AUTHORITY

FOR ALL NOMINEES

FOR ALL EXCEPT

(See instructions below)

NOMINEES

Brian Lian, Ph.D.

O Lawson Macartney, DVM, Ph.D.

RATIFICATION OF THE SELECTION OF MARCUM LLP AS THE

COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING

FIRM FOR ITS FISCAL YEAR ENDING DECEMBER 31, 2018

This proxy will be voted as directed, or if no direction is indicated, will be voted in

accordance with the recommendations of the Board of Directors.

INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark “FOR ALL EXCEPT”

and fill in the circle next to each nominee you wish to withhold, as shown here:

To change the address on your account, please check the box at right and

indicate your new address in the address space above. Please note that

changes to the registered name(s) on the account may not be submitted via

this method.

Signature of Stockholder Date: Signature of Stockholder Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full

title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.

Directions to the Annual Meeting of Stockholders of Viking Therapeutics, Inc.

Viking Therapeutics, Inc.
12340 El Camino Real, Suite 250
San Diego, CA 92130
(858) 704-4660

From the North (Los Angeles/Orange County/Carlsbad)
Take 5 Fwy South. Take DEL MAR HEIGHTS ROAD exit.
Turn Left on DEL MAR HEIGHTS ROAD -go 0.4 miles
Turn Right on HIGH BLUFF DRIVE-go 0.6 miles
Turn Right on EL CAMINO REAL -go 0.2 miles
Arrive at 12340 EL CAMINO REAL, SUITE 250, on the Right

From the South (La Jolla/San Diego International Airport Airport/Chula Vista)
Take 5 Fwy North. Take CARMEL VALLEY ROAD exit.
Turn Right on CARMEL VALLEY ROAD -go 0.2 miles
Turn Left on EL CAMINO REAL-go 0.5 miles
Arrive at 12340 EL CAMINO REAL, SUITE 250, on the Left

"0" WIDTH="100%" BORDER="0" STYLE="BORDER-COLLAPSE:COLLAPSE" ALIGN="center">

03

04

05

06

07

08

09

10

11

12

03

04

05

06

07

08

09

10

11

12

6.43

6.25 6.09 15.68 11.79 4.39 7.74 10.94 8.23 7.82 202 405 280 235 325 235 345 430 510 395

Source: London Metals Exchange

Source: American Metals Market

03	04	05	06	07	08	09	10	11	12	03	04	05	06	07	08	09	10	11	12
0.54	0.69	0.54	0.66	1.71	1.03	0.89	1.33	1.11	0.97	7.26	31.24	26.58	24.78	32.38	9.60	11.38	16.19	13.39	11.20

Source: Platts Metals Week *Source: Platts Metals Week*

Segment operating profit was $126.9 million, a 41% decrease compared to 2011. The reduction was primarily due to lower base selling prices for nearly all products, which offset a 4% increase in overall shipment volume. Average transaction prices for standard stainless products declined sequentially each quarter of 2012, continuing a 2011 trend, and were at historically low levels for most standard products by the end of 2012. A weaker product mix, with lower shipments of most high value products, more than offset a better matching of raw material prices with surcharges and the benefits of our gross cost reduction efforts.

Table of Contents

We continued to aggressively reduce costs and streamline our flat-rolled products operations. In 2012, we achieved gross cost reductions, before the effects of inflation, of approximately $43 million in our Flat-Rolled Products segment. Major areas of gross cost reductions included $17 million from procurement savings and $14 million from operating efficiencies.

2011 Compared to 2010

Sales for the Flat-Rolled Products segment for 2011 were $2.73 billion, or 17% higher than 2010, due primarily to increased shipments and improved base-selling prices for most high-value products. Demand for these products was strong from the oil and gas and chemical process industry and aerospace markets, and improved from the global automotive market. Sales to the oil and gas and chemical process industry markets grew to 46% of sales, and direct international sales increased to 34% of sales. Comparative information for our Flat-Rolled Products segment revenues (in millions) by market, the respective percentages of overall segment revenues for the years ended 2011 and 2010, and the percentage change in revenues by market for 2011 is as follows:

Market	2011		2010		Change	
Oil & Gas/Chemical Process Industry	$ 790.7	29%	$ 542.7	23%	$ 248.0	46%
Electrical Energy	564.4	21%	550.5	24%	13.9	3%
Automotive	346.4	13%	281.8	12%	64.6	23%
Food Equipment & Appliances	231.1	8%	268.9	11%	(37.8)	(14%)
Construction/Mining	216.3	8%	225.0	10%	(8.7)	(4%)
Aerospace & Defense	179.9	7%	116.4	5%	63.5	55%
Electronics/Computers/Communication	153.4	6%	117.1	5%	36.3	31%
Transportation	134.0	5%	112.5	5%	21.5	19%
Medical	61.4	2%	80.1	3%	(18.7)	(23%)
Other	48.4	1%	43.5	2%	4.9	11%
Total	$ 2,726.0	100%	$ 2,338.5	100%	$ 387.5	17%

Total product shipments decreased 1% for 2011, as increased shipments and improved base-selling prices for most high-value products was offset by weak demand for standard stainless products. While average transaction prices for standard stainless products were higher on an annual basis compared to 2010, shipment volumes and average transaction prices declined sequentially, quarter over quarter, in 2011 due to lower demand, falling raw material surcharges and weak base-selling prices.

Comparative information for the Flat-Rolled Products segment s major product categories, based on their percentages of 2011 and 2010 segment revenues is as follows:

For the Years Ended December 31,	2011	2010
High-Value Products		
Precision and engineered strip	23%	23%
Nickel-based alloys and specialty alloys	21%	15%
Grain-oriented electrical steel	11%	13%
Titanium and titanium alloys	6%	5%
Total High-Value Products	61%	56%
Standard Products		
Specialty stainless sheet	19%	23%
Stainless steel sheet	16%	18%
Stainless steel plate	4%	3%
Total Standard Products	39%	44%
Grand Total	100%	100%

Our Flat-Rolled Products segment high-value product shipments, which include engineered strip, Precision Rolled Strip, super stainless steel, nickel-based alloys, specialty alloys, titanium and grain-oriented electrical steel products, increased 9% in 2011 while average transaction prices for these high-valued products increased 17%. Demand for our engineered strip and Precision Rolled Strip products improved throughout 2011 as most markets continued to improve. Demand for our titanium products from the chemical process industry and oil and gas markets continued to increase, and shipments of titanium and ATI-produced Uniti titanium products increased over 50% in 2011 to almost 19 million pounds. Shipments of our grain-oriented electrical steel products, which are primarily sold under long-term supply agreements with key customers, continued to be affected by the downturn in residential and commercial construction.

Table of Contents

Shipments of our standard products, which primarily include stainless steel hot rolled and cold rolled sheet, and stainless steel plate, decreased 9% while average transaction prices for these products increased by 11%.

Raw material costs continued to be volatile in 2011. The majority of our flat-rolled products are sold at prices that include surcharges for raw materials, including purchased scrap, that are required to manufacture our products. Nickel, which comprises a significant percentage of our raw material costs, and where price is influenced by commodity exchange trading, continued to be volatile during 2011. The cost of nickel increased 17% during the first two months of 2011, to an average monthly cost of $12.82 per pound in February 2011, only to decline throughout most of the year to a monthly average cost of $8.11 per pound in November 2011, a 37% decline, ending the year with an average monthly cost of $8.23 per pound in December 2011. Other major raw materials that we use were also volatile, with chromium and molybdenum both decreasing more than 15% during 2011. Volatility in raw material surcharges affects customer purchasing trends.

Operating income was $213.4 million, a 148% increase compared to 2010. The improvement in 2011 operating profit was primarily due to higher shipments of high-value products, a better matching of raw material prices with surcharges, and the benefits from our gross cost reduction efforts.

We continued to aggressively reduce costs and streamline our flat-rolled products operations. In 2011, we achieved gross cost reductions, before the effects of inflation, of approximately $47 million in our Flat-Rolled Products segment. Major areas of gross cost reductions included $25 million from operating efficiencies and $18 million from procurement savings. In the fourth quarter 2011, we implemented plans to consolidate certain finishing operations in the Flat-Rolled Products segment, which resulted in $2.6 million of restructuring charges, primarily related to severance and benefit costs associated with the temporary idling of the New Castle, IN sheet finishing facility.

Engineered Products

(In millions)	2012	% Change	2011	% Change	2010
Sales to external customers	$ 491.7	(2%)	$ 501.1	35%	$ 371.8
Operating profit	39.4	16%	34.1	166%	12.8
Operating profit as a percentage of sales	8.0%		6.8%		3.4%
Direct international sales as a percentage of sales	21.6%		22.7%		23.6%

Our Engineered Products segment includes the production of tungsten powder, tungsten heavy alloys, tungsten carbide materials and carbide cutting tools. The segment also produces carbon alloy steel impression die forgings, and large grey and ductile iron castings, and provides specialty metals fabrication and precision metals processing services. The operations in this segment are ATI Tungsten Materials, ATI Portland Forge, ATI Casting Service, ATI Fabricated Components and ATI Precision Finishing.

The major markets served by our products of the Engineered Products segment include a wide variety of industrial markets including oil and gas, machine and cutting tools, transportation, construction and mining, electrical energy, aerospace and defense, and automotive.

2012 Compared to 2011

Sales for the Engineered Products segment decreased 2% to $491.7 million in 2012. While demand remained strong from the oil and gas and construction and mining markets, demand weakened from the electrical energy and machine and cutting tools markets. Comparative information for our Engineered Products segment revenues (in millions) by market, the respective percentages of overall segment revenues for the years ended 2012 and 2011, and the percentage change in revenues by market for 2012 is as follows:

Table of Contents

Market	2012		2011		Change	
Oil & Gas/Chemical Process Industry	$ 142.7	29%	$ 136.2	27%	$ 6.5	5%
Machine & Cutting Tools	79.5	16%	86.3	17%	(6.8)	(8%)
Construction/Mining	78.5	16%	69.2	14%	9.3	13%
Transportation	78.3	16%	78.8	16%	(0.5)	(1%)
Aerospace & Defense	42.7	9%	42.1	8%	0.6	1%
Electrical Energy	28.1	6%	37.0	8%	(8.9)	(24%)
Automotive	25.8	5%	30.7	6%	(4.9)	(16%)
Medical	12.2	2%	9.4	2%	2.8	30%
Other	3.9	1%	11.4	2%	(7.5)	(66%)
Total	$ 491.7	100%	$ 501.1	100%	$ (9.4)	(2%)

Comparative information for the Engineered Products segment s major product categories, based on their percentages of 2012 and 2011 segment revenues is as follows:

For the Years Ended December 31,	2012	2011
High -Value Products		
Tungsten-based materials	67%	68%
Precision forgings	25%	25%
Total High-Value Products	92%	93%
Standard Products		
Iron castings and other	8%	7%
Total Standard Products	8%	7%
Grand Total	100%	100%

Segment operating profit improved to $39.4 million for 2012, a 16% increase over 2011. Improved demand for tungsten-based products and forged products helped to offset higher start-up costs at our ATI Fabricated Components operation and continued weakness for iron castings products. Operating results were impacted by idle facility costs of $1.7 million in 2012 and $2.4 million for 2011.

In 2012, we achieved gross cost reductions, before the effects of inflation, of approximately $9 million in our Engineered Products segment, primarily from procurement savings and operating efficiencies.

2011 Compared to 2010

Sales for the Engineered Products segment increased 35% to $501.1 million in 2011 as demand continued to improve from the oil and gas, transportation, aerospace, electrical energy, and automotive markets, but remained weak from the wind energy market. Comparative information for our Engineered Products segment revenues (in millions) by market, the respective percentages of overall segment revenues for the years ended 2011 and 2010, and the percentage change in revenues by market for 2011 is as follows:

Market	2011		2010		Change	
Oil & Gas/Chemical Process Industry	$ 136.2	27%	$ 99.3	27%	$ 36.9	37%
Machine & Cutting Tools	86.3	17%	65.9	18%	20.4	31%
Transportation	78.8	16%	51.8	14%	27.0	52%
Construction/Mining	69.2	14%	47.1	13%	22.1	47%
Aerospace & Defense	42.1	8%	31.6	8%	10.5	33%
Electrical Energy	37.0	8%	25.2	7%	11.8	47%
Automotive	30.7	6%	27.2	7%	3.5	13%

Medical	9.4	2%	10.8	3%	(1.4)	(13%)
Other	11.4	2%	12.9	3%	(1.5)	(12%)
Total	$ 501.1	100%	$ 371.8	100%	$ 129.3	35%

Comparative information for the Engineered Products segment s major product categories, based on their percentages of 2011 and 2010 segment revenues is as follows:

30

Table of Contents

For the Years Ended December 31,	2011	2010
High -Value Products		
Tungsten-based materials	68%	69%
Precision forgings	25%	23%
Total High-Value Products	93%	92%
Standard Products		
Iron castings and other	7%	8%
Total Standard Products	7%	8%
Grand Total	100%	100%

The improved demand and better pricing for most products resulted in operating profit of $34.1 million for 2011, a significant increase over 2010 operating profit of $12.8 million. Operating results were impacted by idle facility costs of $2.4 million for 2011 and $2.7 million in 2010.

In 2011, we achieved gross cost reductions, before the effects of inflation, of approximately $14 million in our Engineered Products segment. Major areas of gross cost reductions included $11 million from procurement savings and operating efficiencies, and $3 million from lower compensation and benefit expenses.

Corporate Expenses

Corporate expenses were $68.4 million in 2012 compared to $92.5 million in 2011, and $64.1 million in 2010. The decrease in corporate expenses in 2012 was primarily the result of reduced annual and long-term performance-based compensation expenses, including the accelerated recognition of equity compensation due to executive retirements in 2011. Additionally, the decrease in corporate expenses in 2012 compared to 2011 was due to Ladish acquisition expenses and higher corporate funded R&D costs in 2011.

Interest Expense, Net

Interest expense, net of interest income and interest capitalization, was $71.6 million in 2012, $92.3 million for 2011 and $62.7 million for 2010. The decrease in interest expense in 2012 compared to 2011 was primarily due to $12.4 million of higher capitalized interest on capital projects, and $8.6 million of interest expense in 2011 associated with the remaining $117 million portion of the 8.375% Notes due 2011 that matured, and were repaid, in December 2011. The increase in interest expense in 2011 was primarily due to the January 7, 2011 issuance of $500 million of 5.95% Notes due 2021, and debt assumed in the Ladish acquisition. Interest expense is presented net of interest income of $0.7 million for 2012, $1.4 million for 2011, and $1.1 million for 2010.

Capital expenditures associated with strategic investments to expand our production capabilities resulted in interest capitalization in 2012, 2011, and 2010. Interest expense in 2012, 2011, and 2010 was reduced by $24.5 million, $12.1 million, and $12.5 million, respectively, related to interest capitalization on major strategic capital projects.

Closed Company and Other Expenses

Closed company and other expenses, which were $31.5 million in 2012, $9.9 million in 2011 and $13.9 million in 2010, include charges incurred in connection with closed operations, pre-tax gains and losses on the sale of surplus real estate, non-strategic investments and other assets, and other non-operating income or expense. In the fourth quarter of 2012, we recorded a $13.0 million pre-tax charge to write down the value of the long-lived assets with the closing of our Alpena, MI iron casting facility, which was formerly part of the operations in our Engineered Products segment. This charge is included within cost of sales in the consolidated statements of income. Other items are presented primarily in selling and administrative expenses in the consolidated statements of income, and primarily related to legal, environmental and insurance costs associated with closed operations.

Retirement Benefit Expense

Retirement benefit expense, which includes pension and postretirement medical benefits, increased to $122.4 million in 2012, compared to $77.9 million in 2011. The 2012 increase was primarily due to the utilization of a lower discount rate to value retirement benefit obligations and lower than expected returns on plan assets. Retirement benefit expense in 2010 was $90.1 million. The decrease in expense in 2011 compared to 2010 was primarily due to higher than expected returns on pension plan assets in prior years. Since 2004, we have made over $765 million of voluntary pension contributions to our U.S. qualified defined benefit pension plan, including $350 million in the second quarter of 2009. However, declining discount rates, which are used to measure retirement benefit obligations, have continued to negatively impact both retirement benefit expense and the funded position of our U.S. qualified defined benefit pension plan. Retirement benefit expenses are included in both cost of sales and selling and administrative expenses. Retirement benefit expense included in cost of sales and selling and administrative expenses for the years ended 2012, 2011, and 2010 was as follows:

Table of Contents

(In millions)	**2012**	2011	2010
Cost of sales	**$ 89.3**	$ 55.1	$ 64.6
Selling and administrative expenses	**33.1**	22.8	25.5
Total retirement benefit expense	**$ 122.4**	$ 77.9	$ 90.1

Total retirement benefit expense for 2013 is expected to increase to approximately $130 million, an $8 million increase from 2012. We expect pension expense to be approximately $106 million compared to pension expense of $97.6 million in 2012. These expected increases are primarily a result of utilizing a lower discount rate to value the benefit obligations.

Income Taxes

Net income for 2012 included a provision for income taxes of $76.2 million, or 31.2% of income before tax, for U.S. Federal, foreign and state income taxes. The 2011 provision for income taxes was $116.3 million, or 34.3% of income before tax, for U.S. Federal, foreign and state income taxes. The income tax rate in 2012 includes the effects of a greater portion of pre-tax income from foreign earnings that are generally taxed at lower rates than the U.S. Federal rate, and the benefits of the U.S. Federal manufacturing deduction. The 2010 provision for income taxes was $47.0 million, or 37.4% of income before tax, for U.S. Federal, foreign and state income taxes. The 2010 provision for income taxes included charges of $9.2 million related to U.S. Federal legislation, including the Patient Protection and Affordable Care Act, which eliminated the tax benefit of company-provided retiree prescription drug coverage, and the Small Business Jobs and Credit Act, which increased the Company s ability to recover prior years cash taxes paid through accelerated depreciation of property placed into service in 2010, but reduced the 2010 tax benefit of the manufacturing deduction.

Deferred taxes result from temporary differences in the recognition of income and expense for financial and income tax reporting purposes, and differences between the fair value of assets acquired in business combinations accounted for as purchases for financial reporting purposes and their corresponding tax bases. Deferred income taxes represent future tax benefits or costs to be recognized when those temporary differences reverse. At December 31, 2012, we had a net deferred tax asset of $47.5 million.

Financial Condition and Liquidity

We believe that internally generated funds, current cash on hand, and available borrowings under our existing credit facilities will be adequate to meet foreseeable liquidity needs, including the ongoing expansion of our production capabilities over the next few years. If we needed to obtain additional financing using the credit markets, the cost and the terms and conditions of such borrowings may be influenced by our credit rating. Changes in our credit rating do not impact our access to, or the cost of, our existing credit facilities.

We did not borrow funds under our $400 million domestic senior unsecured credit facility during 2012, 2011, or 2010. However, as of December 31, 2012 approximately $4 million of this facility was utilized to support letters of credit.

We have no off-balance sheet arrangements as defined in Item 303(a)(4) of SEC Regulation S-K.

Cash Flow and Working Capital

Cash flow from operations for 2012 was $427.5 million, which included a reduction in managed working capital of $22.4 million. During 2012, cash used in investing activities was $378.7 million, which included $382.0 million in capital expenditures. Cash used in financing activities was $124.8 million in 2012, primarily due to dividend payments to ATI stockholders of $76.5 million, $27.1 million of net debt retirements, and income tax withholding on share-based compensation of $23.4 million. At December 31, 2012, cash and cash equivalents on hand totaled $304.6 million, a decrease of $76.0 million from year end 2011. Cash and cash equivalents held by our foreign subsidiaries was $100.1 million at December 31, 2012.

Cash flow from operations for 2011 was $296.8 million, as improved profitability was partially offset by an investment in managed working capital of $273.3 million, primarily due to a significant increase in the level of business activity. Cash used in investing activities was $624.7 million, including $349.2 million for the acquisition of Ladish, net of cash acquired, and $278.2 million in capital expenditures. Cash provided by financing activities was $276.2 million in 2011, primarily due to issuance of $500.0 million of 5.95% Senior Notes due 2021, partially offset by debt retirements of $146.9 million, including the remaining $117 million of 8.375% Notes due 2011 which matured in December 2011, and dividend payments of $74.7 million. At December 31, 2011, cash and cash equivalents on hand totaled $380.6 million, a decrease of $51.7 million from year end 2010.

32

Table of Contents

Managed Working Capital

As part of managing the liquidity of the business, we focus on controlling inventory, accounts receivable and accounts payable. In measuring performance in controlling this managed working capital, we exclude the effects of LIFO inventory valuation reserves, excess and obsolete inventory reserves, and reserves for uncollectible accounts receivable which, due to their nature, are managed separately. We also measure managed working capital as a percentage of the prior two months annualized sales to evaluate our performance based on recent levels of business volume. We define managed working capital as gross inventory plus accounts receivable less accounts payable.

	03	04	05	06	07	08	09	10	11	12
Millions/$	576	853	1,048	1,582	1,627	1,412	1,061	1,380	1,823	1,801
% of Annualized Revenue	30.7%	29.5%	30.3%	29.0%	32.2%	35.2%	34.5%	34.4%	37.8%	41.1%

In 2012, managed working capital decreased by $22.4 million, due to decreased business activity. The $22.4 million reduction in managed working capital resulted from a $97.3 million decrease in accounts receivable, a $7.7 million increase in accounts payable, offset by an $82.6 million increase in inventory as we staged inventory to meet 2013 demand.

In 2011, managed working capital increased by $273.3 million, after adjusting for the $170.2 million of working capital acquired in the Ladish acquisition, due to increased business activity. The increase in managed working capital was a use of cash in 2011, as gross inventory increased $244.9 million and accounts receivable increased $79.8 million, partially offset by an increase in accounts payable of $51.4 million.

Managed working capital as a percentage of sales has increased to historical levels due to a continuing shift in mix to more value-added products, primarily in the High Performance Metals and Flat-Rolled Products business segments, which have longer manufacturing processes. Days sales outstanding, which measures actual collection timing for accounts receivable, remained relatively constant in 2012 compared to 2011. Gross inventory turns, which excludes the effect of LIFO inventory valuation reserves, decreased slightly across all of our business segments at year-end 2012.

Table of Contents

The components of managed working capital were as follows:

(in millions)	**December 31, 2012**	December 31, 2011	December 31, 2010
Accounts receivable	**$ 613.3**	$ 709.1	$ 545.4
Inventory	**1,536.6**	1,384.3	1,024.5
Accounts payable	**(499.9)**	(490.7)	(394.1)
Subtotal	**1,650.0**	1,602.7	1,175.8
Allowance for doubtful accounts	**5.5**	5.9	5.6
LIFO reserve	**76.9**	153.7	163.0
Corporate and other	**68.4**	60.9	35.3
Managed working capital	**$ 1,800.8**	$ 1,823.2	$ 1,379.7
Annualized prior 2 months sales	**$ 4,380.0**	$ 4,820.6	$ 4,007.7
Managed working capital as a % of annualized sales	**41.1%**	37.8%	34.4%
December 2012 change in managed working capital	**$ (22.4)**		

Capital Expenditures and Acquisitions

Capital expenditures for 2012 were $382.0 million, compared to $278.2 million in 2011, and $219.1 million in 2010. Since 2004, we have transformed ATI by investing over $3.7 billion in capital expenditures and acquisitions. Nearly all of these investments have been in the United States and more than 80% have been self-funded.

We have significantly expanded and continue to expand our manufacturing capabilities to meet current and expected demand growth from the aerospace (engine and airframe) and defense, oil and gas, chemical process industry, electrical energy, and medical markets, especially for titanium and titanium-based alloys, nickel-based alloys and superalloys, specialty alloys, and zirconium and related alloys. Significant capital expenditures completed or in progress include:

The design and construction of a new advanced specialty metals Hot-Rolling and Processing Facility (HRPF) at our existing Flat-Rolled Products segment Brackenridge, PA site for approximately $1.16 billion. The HRPF construction is progressing on schedule and on budget. Construction is expected to be completed with assets ready for service by the end of 2013, and formal commissioning is expected to occur in the first half of 2014. The HRPF is designed to be the most powerful mill in the world for production of specialty metals. It is designed to produce thinner and wider hot-rolled coils of exceptional quality at reduced cost with shorter lead times, and require lower working capital requirements. When completed, we believe ATI s new HRPF will provide unsurpassed manufacturing capability and versatility in the production of a wide range of flat-rolled specialty metals. We expect improved productivity, lower costs, and higher quality for our diversified product mix of flat-rolled specialty metals, including nickel-based and specialty alloys, titanium and titanium alloys, zirconium alloys, Precision Rolled Strip ® products, and stainless sheet and coiled plate products.

The acquisition of ATI Ladish on May 9, 2011 for $897.6 million. ATI Ladish results are included in the High Performance Metals segment from the date of the acquisition. ATI Ladish engineers, produces and markets high-strength, high technology forged and cast metal components for a wide variety of load-bearing and fatigue-resisting applications in the jet engine, aerospace and industrial markets, for both domestic and international customers. ATI is now a fully integrated supplier, from raw material (for titanium) and melt through highly engineered technically complex parts, creating a more stable and sustainable supply chain for aerospace, defense and industrial markets.

The expansion of ATI s aerospace quality titanium sponge production capabilities. Titanium sponge is an important raw material used to produce our titanium mill products. Our greenfield premium-grade titanium sponge (jet engine rotating parts) facility in Rowley, UT, with a total cost of approximately $500 million, continued to ramp up production during 2012, and completed the standard-grade qualification process in the first half of 2012. We continue to improve the facility s cost structure through process and productivity improvements and technology initiatives, and we expect to begin the premium-grade qualification process in 2013. When this Utah sponge facility is fully operational, our total annual sponge production capacity, including our Albany, OR standard grade titanium sponge facility, is projected to be approximately 46 million pounds. These secure supply sources are intended to reduce our purchased titanium sponge and purchased titanium scrap requirements. In addition, the Utah facility will have the infrastructure in place to further expand annual capacity by approximately 18 million pounds, bringing the total annual capacity at that facility to 42 million pounds, if needed.

We continued to enhance our capabilities as the world s leader in titanium plasma arc melting (PAM) with the qualification during 2012 of our fourth PAM furnace. With the expansion of our High Performance Metals segment production capabilities in North Carolina, ATI remains the world s leading PAM melter for the most critical and demanding jet engine applications.

We currently expect our 2013 capital expenditures to be approximately $550 million, which includes approximately $450 million relating to the HRPF project. We expect 2013 to be our peak year of capital expenditures. Our objective is to fund these capital expenditures with cash on hand and cash flow generated from our operations, and if needed, by using a portion of our $400 million unsecured domestic credit facility.

Debt

Total debt outstanding decreased by $29.2 million, to $1,480.1 million at December 31, 2012, from $1,509.3 million at December 31, 2011. The decrease was primarily due to principal payments of $15.7 million on debt assumed in the 2011 Ladish acquisition, and $10.4 million of repayments under foreign credit facilities. In managing our overall capital structure, some of the measures on which we focus are net debt to total capitalization, which is the percentage of our debt, net of cash that may be available to reduce borrowings, to our total invested and borrowed capital, and total debt to total capitalization, which excludes cash balances. At year-end 2012, our net debt to total capitalization was 32.2%, compared to 31.3% at December 31, 2011, and 23.6% at December 31, 2010. Total debt to total capitalization was 37.4% at December 31, 2012 compared to 37.9% at December 31, 2011, and 34.3% at December 31, 2010.

(In millions)	**December 31, 2012**	December 31, 2011
Total debt	**$ 1,480.1**	$ 1,509.3
Less: Cash	**(304.6)**	(380.6)
Net debt	**$ 1,175.5**	$ 1,128.7
Net debt	**$ 1,175.5**	$ 1,128.7
Total ATI stockholders equity	**2,479.6**	2,475.3
Net ATI capital	**$ 3,655.1**	$ 3,604.0
Net debt to ATI capital	**32.2%**	31.3%

(In millions)	**December 31, 2012**	December 31, 2011
Total debt	**$ 1,480.1**	$ 1,509.3
Total ATI stockholders equity	**2,479.6**	2,475.3
Total ATI capital	**$ 3,959.7**	$ 3,984.6
Total debt to ATI capital	**37.4%**	37.9%

We have a $400 million senior unsecured domestic revolving credit facility that expires in April 2017. The facility includes a $200 million sublimit for the issuance of letters of credit. Under the terms of the facility, we may increase the size of the credit facility by up to $100 million without seeking the further approval of the lending group. The facility requires us to maintain a leverage ratio (consolidated total indebtedness divided by consolidated earnings before interest, taxes and depreciation and amortization) of not greater than 3.25, and maintain an interest coverage ratio (consolidated earnings before interest and taxes divided by interest expense) of not less than 2.0. At December 31, 2012, our leverage ratio was 2.09 and our interest coverage ratio was 5.68. The definition of consolidated earnings before interest and taxes, and consolidated earnings before income, taxes, depreciation and amortization as used in the interest coverage and leverage ratios excludes any non-cash pension expense or income, and consolidated indebtedness in the leverage ratio is net of cash on hand in excess of $50 million. We were in compliance with these required ratios during all applicable periods. As of December 31, 2012, there had been no borrowings made under the facility, although a portion of the facility was used to support approximately $4 million in letters of credit.

We have an additional, separate credit facility for the issuance of letters of credit. As of December 31, 2012, $32 million in letters of credit were outstanding under this facility.

STAL, our Chinese joint venture company in which ATI has a 60% interest, has a revolving credit facility with a group of banks which extends through August 2014. Under the credit facility, STAL may borrow up to 205 million renminbi (approximately $33 million at December 2012 exchange rates) at an interest rate equal to 90% of the applicable lending rate published by the People s Bank of China. The credit facility is supported solely by STAL s financial capability without any guarantees from the joint venture partners, and is intended to be utilized in the future for the expansion of STAL s operations, which are located in Shanghai, China. The credit facility requires STAL to maintain a minimum level of shareholders equity and certain financial ratios. We were in compliance with these required ratios during all applicable periods. As of December 31, 2012, there had been no borrowings made under this credit facility.

Table of Contents

A summary of required payments under financial instruments (excluding accrued interest) and other commitments are presented below.

(In millions)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Contractual Cash Obligations					
Total Debt including Capital Leases (A)	$ 1,475.6	$ 17.1	$ 436.7	$ 21.7	$ 1,000.1
Operating Lease Obligations	96.2	17.6	30.4	19.9	28.3
Other Long-term Liabilities (B)	109.9		29.3	13.1	67.5
Unconditional Purchase Obligations					
Raw Materials (C)	590.0	265.8	133.4	38.2	152.6
Capital expenditures	543.6	406.8	136.8		
Other (D)	183.2	86.2	62.3	16.0	18.7
Total	$ 2,998.5	$ 793.5	$ 828.9	$ 108.9	$ 1,267.2
Other Financial Commitments					
Lines of Credit (E)	$ 545.6	$ 86.0	$ 59.6	$ 400.0	$
Guarantees	$ 19.9				

(A) Debt and capital leases exclude acquisition fair value adjustments.
(B) Other long-term liabilities exclude pension liabilities and accrued postretirement benefits. See Note 9. Pension Plans and Other Postretirement Benefits of the notes to the 2012 consolidated financial statements for further information on these obligations.
(C) We have contracted for physical delivery for certain of our raw materials to meet a portion of our needs. These contracts are based upon fixed or variable price provisions. We used current market prices as of December 31, 2012, for raw material obligations with variable pricing.
(D) We have various contractual obligations that extend through 2016 for services involving production facilities and administrative operations. Our purchase obligation as disclosed represents the estimated termination fees payable if we were to exit these contracts.
(E) Drawn amounts were $14.2 million at December 31, 2012 under foreign credit agreements, and drawn amounts are included in total debt. Drawn amounts also include $4.5 million utilized under the $400 million domestic senior unsecured credit facility for standby letters of credit, which renew annually, and $32.0 million under a separate letter of credit facility. These letters of credit are used to support: $30.1 million in workers compensation and general insurance arrangements, and $6.4 million related to environmental, legal and other matters.

Retirement Benefits

At December 31, 2012, our U.S. qualified defined benefit pension plan (U.S. Plan) was approximately 77% funded in accordance with generally accepted accounting principles. The funded position of the U.S. Plan declined in 2012 primarily due to the use of a lower discount rate to value plan liabilities.

On July 6, 2012, the Moving Ahead for Progress in the 21st Century Act (MAP-21 Act) was signed into law. The MAP-21 Act included certain pension-related provisions which included changes to the methodology used to determine discount rates for ERISA funding purposes for qualified defined benefit pension plans. Based on historical interest rates, the MAP-21 Act allows plan sponsors to utilize a higher discount rate to value pension liabilities, which results in lower required pension plan contributions under ERISA. Based upon current regulations and actuarial studies, we are not required to make a cash contribution to the U.S. Plan for 2013. However, we may elect, depending upon investment performance of the pension plan assets and other factors, to make additional voluntary cash contributions to this plan in the future.

We fund certain retiree health care benefits for Allegheny Ludlum using investments held in a Company-administered Voluntary Employee Benefit Association (VEBA) trust. This allows us the opportunity to generate investment returns to recover a portion of the retiree medical costs. In accordance with our labor agreements, during 2012, 2011, and 2010, we funded $0.9 million, $5.2 million, and $4.2 million, respectively, of retiree medical costs using the investments of this VEBA trust. We may continue to fund certain retiree medical benefits utilizing the investments held in this VEBA. The value of the investments held in this VEBA was approximately $6.3 million as of December 31, 2012.

Dividends

We paid a quarterly cash dividend of $0.18 per share of common stock outstanding for each quarter of 2012 and 2011. The payment of dividends and the amount of such dividends depends upon matters deemed relevant by our Board of Directors, such as our results of operations, financial condition, cash requirements, future prospects, any limitations imposed by law, credit agreements or senior securities, and other factors deemed relevant and appropriate.

Critical Accounting Policies

The accompanying consolidated financial statements have been prepared in conformity with United States generally accepted accounting principles. When more than one accounting principle, or the method of its application, is generally accepted, management selects the principle or method that is appropriate in our specific circumstances. Application of these accounting principles requires our management to make estimates about the future resolution of existing uncertainties; as a result, actual results could differ from these estimates. In preparing these financial statements, management has made its best estimates and judgments of the amounts and disclosures included in the financial statements giving due regard to materiality.

Inventories

At December 31, 2012, we had net inventory of $1,536.6 million. Inventories are stated at the lower of cost (last-in, first-out (LIFO), first-in, first-out (FIFO) and average cost methods) or market, less progress payments. Costs include direct material, direct labor and applicable manufacturing and engineering overhead, and other direct costs. Most of our inventory is valued utilizing the LIFO costing methodology. Inventory of our non-U.S. operations is valued using average cost or FIFO methods. Under the LIFO inventory valuation method, changes in the cost of raw materials and production activities are recognized in cost of sales in the current period even though these material and other costs may have been incurred at significantly different values due to the length of time of our production cycle. The prices for many of the raw materials we use have been extremely volatile during the past four years. Since we value most of our inventory utilizing the LIFO inventory costing methodology, a rise in raw material costs has a negative effect on our operating results, while, conversely, a fall in material costs results in a benefit to operating results. For example, in 2012 and 2011, the effect of falling raw material costs on our LIFO inventory valuation method resulted in cost of sales which were $76.8 million and $9.3 million lower than would have been recognized had we utilized the FIFO methodology to value our inventory. Conversely, in 2010, the effect of rising raw material costs on our LIFO inventory valuation method resulted in cost of sales which were $60.2 million higher than would have been recognized had we utilized the FIFO methodology to value our inventory. In a period of rising prices, cost of sales expense recognized under LIFO is generally higher than the cash costs incurred to acquire the inventory sold. Conversely, in a period of declining raw material prices, cost of sales recognized under LIFO is generally lower than cash costs incurred to acquire the inventory sold.

The LIFO inventory valuation methodology is not utilized by many of the companies with which we compete, including foreign competitors. As such, our results of operations may not be comparable to those of our competitors during periods of volatile material costs due, in part, to the differences between the LIFO inventory valuation method and other acceptable inventory valuation methods.

We evaluate product lines on a quarterly basis to identify inventory values that exceed estimated net realizable value. The calculation of a resulting reserve, if any, is recognized as an expense in the period that the need for the reserve is identified. At December 31, 2012, no significant reserves were required. It is our general policy to write-down to scrap value any inventory that is identified as obsolete and any inventory that has aged or has not moved in more than twelve months. In some instances this criterion is up to twenty-four months due to the longer manufacturing and distribution process for such products.

Asset Impairment

We monitor the recoverability of the carrying value of our long-lived assets. An impairment charge is recognized when the expected net undiscounted future cash flows from an asset s use (including any proceeds from disposition) are less than the asset s carrying value, and the asset s carrying value exceeds its fair value. Changes in the expected use of a long-lived asset group, and the financial performance of the long-lived asset group and its operating segment, are evaluated as indicators of possible impairment. Future cash flow value may include appraisals for property, plant and equipment, land and improvements, future cash flow estimates from operating the long-lived assets, and other operating considerations. In the fourth quarter of 2012, following an evaluation of business conditions and possible business uses of the idled Alpena, MI iron casting facility, we determined that we were unlikely to produce iron castings at this facility and adopted a plan of disposal, and we recorded a $13 million pre-tax long-lived asset impairment charge, representing the excess of net book value over the estimated fair market value.

Retirement Benefits

We have defined benefit and defined contribution pension plans covering substantially all of our employees. Under U.S. generally accepted accounting principles, benefit expenses recognized in financial statements for defined benefit pension plans are determined on an actuarial basis, rather than as contributions are made to the plan. A significant element in determining our pension expense in accordance with the accounting standards is the expected investment return on plan assets. In establishing the expected return on plan investments, which is reviewed annually in the fourth quarter, we take into consideration input from our third party pension plan asset managers and actuaries regarding the types of securities the plan assets are invested in, how those investments have performed historically, and expectations for how those investments will perform in the future. Our expected long-term return on pension plan investments was 8.5% in 2012. We apply this assumed rate to the market value of plan assets at the end of the previous year. This produces the expected return on plan assets that is included in annual pension expense for the current year. The actual returns on pension plan assets for the last five years have been 8.0% for 2012, 0.3% for 2011, 12.2% for 2010, 16.4% for 2009, and a negative 25.3% for 2008. For 2013, we reduced our expected rate of return to 8.25% based upon our strategic allocation of pension assets across the various investments asset classes, and consideration of both historical and projected annual compound returns. The effect of increasing, or lowering, the expected return on pension plan investments by 0.25% results in additional pre-tax annual income, or expense, of approximately $5.3 million. The cumulative difference between this expected return and the actual return on plan assets is deferred and amortized into pension income or expense over future periods. The amount of expected return on plan assets can vary significantly from year-to-year since the calculation is dependent on the market value of plan assets as of the end of the preceding year. U.S. generally accepted accounting principles allow companies to calculate the expected return on pension assets using either an average of fair market values of pension assets over a period not to exceed five years, which reduces the volatility in reported pension income or expense, or their fair market value at the end of the previous year. However, the U.S. Securities and Exchange Commission currently does not permit companies to change from the fair market value at the end of the previous year methodology, which is the methodology that we use, to an averaging of fair market values of plan assets methodology. As a result, our results of operations and those of other companies, including companies with which we compete, may not be comparable due to these different methodologies in calculating the expected return on pension investments.

In accordance with accounting standards, we determine the discount rate used to value pension plan liabilities as of the last day of each year. The discount rate reflects the current rate at which the pension liabilities could be effectively settled. In estimating this rate, we receive input from our actuaries regarding the rates of return on high quality, fixed-income investments with maturities matched to the expected future retirement benefit payments. Based on this assessment at the end of December 2012, we established a discount rate of 4.25% for valuing the pension liabilities as of the end of 2012, and for determining the pension expense for 2013. We had previously assumed a discount rate of 5.0% at the end of 2011 and 5.8% for the end of 2010. The estimated effect of changing the discount rate by 0.50% would decrease pension liabilities in the case of an increase in the discount rate, or increase pension liabilities in the case of a decrease in the discount rate, by approximately $170 million. Such a change in the discount rate would decrease pension expense in the case of an increase in the discount rate, or increase pension expense in the case of a decrease in the discount rate, by approximately $12 million. The effect on pension liabilities for changes to the discount rate, as well as the net effect of other changes in actuarial assumptions and experience, are deferred and amortized over future periods in accordance with the accounting standards.

As discussed above, gains and losses due to differences between actual and expected results for investment returns on plan assets, and changes in the discount rate used to value benefit obligations are deferred and recognized in the income statement over future periods. However for balance sheet presentation, these gains and losses are included in the determination of benefit obligations, net of plan assets, included on the year-end statement of financial position. At December 31, 2012, the Company had $1.46 billion of pre-tax net actuarial losses on its pension obligations, primarily related to continued declines in the discount rate used to value the pension obligations, and also due to negative investment returns on plan assets in 2008, which have been recognized on the balance sheet through a reduction in stockholders equity, and are being recognized in the income statement through expense amortizations over future years.

We also sponsor several postretirement plans covering certain hourly and salaried employees and retirees. These plans provide health care and life insurance benefits for eligible employees. Under most of the plans, our contributions towards premiums are capped based upon the cost as of certain dates, thereby creating a defined contribution. For the non-collectively bargained plans, we maintain the right to amend or terminate the plans in the future. In accordance with U.S. generally accepted accounting standards, postretirement expenses recognized in financial statements associated with defined benefit plans are determined on an actuarial basis, rather than as benefits are paid. We use actuarial assumptions, including the discount rate and the expected trend in health care costs, to estimate the costs and benefit obligations for these plans. The discount rate, which is determined annually at the end of each year, is developed based upon rates of return on high quality, fixed-income investments. At the end of 2012, we determined the rate to be 4.25%, compared to a 5.0% discount rate in 2011, and a 5.8% discount rate in 2010. The estimated effect of changing the discount rate by 0.50%, would decrease postretirement obligations in the case of an increase in the discount rate, or increase postretirement obligations in the case of a decrease in the discount rate, by approximately $24 million. Such a change in the discount rate would decrease postretirement benefit expense in the case of an increase in the discount rate, or increase postretirement benefit expense in the case of a decrease in the discount rate, by approximately $0.8 million. Based upon predictions of continued significant medical cost inflation in future years, the annual assumed rate of increase in the per capita cost of covered benefits of health care plans is 8.7% in 2012 and is assumed to gradually decrease to 5.0% in the year 2028 and remain level thereafter. Certain of these postretirement benefits are funded using plan investments held in a Company-administered VEBA trust. The December 31, 2012 asset balance is $6 million and consists primarily of private equity investments. For 2012, our expected return on investments held in the VEBA trust was 8.3%. This assumed long-term rate of return on investments is applied to the market value of plan assets at the end of the previous year. This produces the expected return on plan investments that is included in annual postretirement benefits expense for the current year. Our expect return on investments in the VEBA trust is 8.3% for 2013. The effect of increasing, or lowering, the expected return on postretirement benefit plan investments by 0.25% has a negligible effect on pre-tax annual income, or expense, due to the low level of investments held.

Table of Contents

New Accounting Pronouncements Adopted

In June 2011, the Financial Accounting Standards Board (FASB) issued amendments to financial accounting standards related to the presentation of comprehensive income which requires entities to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Additionally, these amendments require an entity to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statements where the components of net income and the components of other comprehensive income are presented. In December 2011, the FASB deferred the requirement for presenting the reclassification adjustments from comprehensive income to net income by component within the face of the financial statements. Finally, no changes were made to the calculation and presentation of earnings per share. These amendments, with retrospective application, were effective for interim and annual periods in fiscal year 2012. A separate consolidated statement of comprehensive income is included in these consolidated financial statements. Other than the change in presentation, these changes did not have an impact on the consolidated financial statements. In February 2013, the FASB further amended the accounting standards adding new disclosure requirements for items reclassified out of accumulated other comprehensive income. The newly issued guidance will require entities to disclose additional information about reclassification adjustments, including (1) changes in accumulated other comprehensive income balances by component and (2) significant items reclassified out of accumulated other comprehensive income. The new disclosure requirements are effective for fiscal years, and interim periods within those years, beginning after December 15, 2012.

In July 2012, the FASB issued amended guidance that simplifies how entities test indefinite-lived intangible assets other than goodwill for impairment. The changes are effective for interim and annual periods beginning after September 15, 2012 with early adoption permitted. The Company elected to early adopt this guidance, which provides the Company with the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the fair value of the indefinite-lived intangible assets other than goodwill is less than its carrying amount. If an entity elects to perform a qualitative assessment and determines that an impairment is more likely than not, the entity is then required to perform the existing two-step quantitative impairment test, otherwise no further analysis is required. An entity also may elect not to perform the qualitative assessment and, instead, go directly to the two-step quantitative impairment test.

Pending Accounting Pronouncements

In December 2011, the FASB issued guidance enhancing disclosure requirements about the nature of an entity s right to offset and related arrangements associated with its financial instruments and derivative instruments. The new guidance requires the disclosure of the gross amounts subject to rights of set-off, amounts offset in accordance with the accounting standards followed, and the related net exposure. The new guidance will be effective for the Company beginning January 2013. We do not anticipate material impacts on our financial statements upon adoption.

Forward-Looking Statements

From time-to-time, the Company has made and may continue to make forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements in this report relate to future events and expectations and, as such, constitute forward-looking statements. Forward-looking statements include those containing such words as anticipates, believes, estimates, expects, would, should, will likely result, forecast, outlook, projects, and similar expressions. Such forward-looking statements are based on management s current expectations and include known and unknown risks, uncertainties and other factors, many of which the Company is unable to predict or control, that may cause our actual results or performance to materially differ from any future results or performance expressed or implied by such statements. Various of these factors are described in Item 1A, Risk Factors, of this Annual Report on Form 10-K and will be described from time-to-time in the Company filings with the SEC, including the Company s Annual Reports on Form 10-K and the Company s subsequent reports filed with the SEC on Form 10-Q and Form 8-K, which are available on the SEC s website at http://www.sec.gov and on the Company s website at http://www.atimetals.com. We assume no duty to update our forward-looking statements.

Table of Contents

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As part of our risk management strategy, we utilize derivative financial instruments, from time to time, to hedge our exposure to changes in energy and raw material prices, foreign currencies, and interest rates. We monitor the third-party financial institutions which are our counterparty to these financial instruments on a daily basis and diversify our transactions among counterparties to minimize exposure to any one of these entities. Fair values for derivatives were measured using exchange-traded prices for the hedged items including consideration of counterparty risk and the Company s credit risk. Our exposure to volatility in interest rates is presently not material, as nearly all of our debt is at fixed interest rates.

Volatility of Energy Prices. Energy resources markets are subject to conditions that create uncertainty in the prices and availability of energy resources. The prices for and availability of electricity, natural gas, oil and other energy resources are subject to volatile market conditions. These market conditions often are affected by political and economic factors beyond our control. Increases in energy costs, or changes in costs relative to energy costs paid by competitors, have and may continue to adversely affect our profitability. To the extent that these uncertainties cause suppliers and customers to be more cost sensitive, increased energy prices may have an adverse effect on our results of operations and financial condition. We use approximately 10 to 12 million MMBtu s of natural gas annually, depending upon business conditions, in the manufacture of our products. These purchases of natural gas expose us to risk of higher gas prices. For example, a hypothetical $1.00 per MMBtu increase in the price of natural gas would result in increased annual energy costs of approximately $10 to $12 million. We use several approaches to minimize any material adverse effect on our financial condition or results of operations from volatile energy prices. These approaches include incorporating an energy surcharge on many of our products and using financial derivatives to reduce exposure to energy price volatility.

At December 31, 2012, the outstanding financial derivatives used to hedge our exposure to natural gas cost volatility represented approximately 70% of our forecasted requirements for 2013, 40% for 2014 and 5% for 2015. The net mark-to-market valuation of these outstanding hedges at December 31, 2012 was an unrealized pre-tax loss of $3.9 million, comprised of $0.4 million in prepaid expenses and other current assets, $0.7 million in other assets, $4.4 million in accrued liabilities and $0.6 million in other long-term liabilities. The effects of the hedging activity will be recognized in income over the designated hedge periods. For the year ended December 31, 2012, the effects of natural gas hedging activity increased cost of sales by $8.1 million.

Volatility of Raw Material Prices. We use raw materials surcharge and index mechanisms to offset the impact of increased raw material costs; however, competitive factors in the marketplace can limit our ability to institute such mechanisms, and there can be a delay between the increase in the price of raw materials and the realization of the benefit of such mechanisms. For example, in 2012 we used approximately 100 million pounds of nickel; therefore a hypothetical change of $1.00 per pound in nickel prices would result in increased costs of approximately $100 million. In addition, in 2012 we also used approximately 795 million pounds of ferrous scrap in the production of our flat-rolled products and a hypothetical change of $0.01 per pound would result in increased costs of approximately $8 million. While we enter into raw materials futures contracts from time-to-time to hedge exposure to price fluctuations, such as for nickel, we cannot be certain that our hedge position adequately reduces exposure. We believe that we have adequate controls to monitor these contracts, but we may not be able to accurately assess exposure to price volatility in the markets for critical raw materials.

The majority of our products are sold utilizing raw material surcharges and index mechanisms. However as of December 31, 2012, we had entered into financial hedging arrangements primarily at the request of our customers related to firm orders, for an aggregate amount of less than 10% of our estimated annual nickel requirements. These nickel hedges extend to 2016. Any gain or loss associated with these hedging arrangements is included in cost of sales. At December 31, 2012, the net mark-to-market valuation of our outstanding raw material hedges was an unrealized pre-tax loss of $0.5 million, comprised of $0.6 million in prepaid expenses and other current assets, $0.3 million in other assets, $1.1 million in accrued liabilities and $0.3 million in other long-term liabilities.

Foreign Currency Risk. Foreign currency exchange contracts are used, from time-to-time, to limit transactional exposure to changes in currency exchange rates. We sometimes purchase foreign currency forward contracts that permit us to sell specified amounts of foreign currencies expected to be received from our export sales for pre-established U.S. dollar amounts at specified dates. The forward contracts are denominated in the same foreign currencies in which export sales are denominated. These contracts are designated as hedges of the variability in cash flows of a portion of the forecasted future export sales transactions which otherwise would expose the Company to foreign currency risk. At December 31, 2012, the outstanding financial derivatives used to hedge our exposure to foreign currency, primarily euros, represented approximately 10% of our forecasted total international sales through 2015. At December 31, 2012, the net mark-to-market valuation of the outstanding foreign currency forward contracts was an unrealized pre-tax gain of $0.7 million, comprised of $2.9 million in prepaid expenses and other current assets, $0.9 million in other assets, $1.7 million in accrued liabilities and $1.4 million in other long-term liabilities. In addition, we may also designate cash balances held in foreign currencies as hedges of forecasted foreign currency transactions.

40

Table of Contents

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Allegheny Technologies Incorporated and Subsidiaries

We have audited the accompanying consolidated balance sheets of Allegheny Technologies Incorporated and Subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company 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 consolidated financial position of Allegheny Technologies Incorporated and Subsidiaries at December 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Allegheny Technologies Incorporated and Subsidiaries internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania

February 28, 2013

Table of Contents

Allegheny Technologies Incorporated and Subsidiaries

Consolidated Statements of Income

(In millions, except per share amounts)

For the Years Ended December 31,	2012	2011	2010
Sales	**$ 5,031.5**	$ 5,183.0	$ 4,047.8
Costs and expenses:			
Cost of sales	**4,338.3**	4,369.8	3,557.5
Selling and administrative expenses	**377.8**	382.1	304.9
Income before interest, other income and income taxes	**315.4**	431.1	185.4
Interest expense, net	**(71.6)**	(92.3)	(62.7)
Other income, net	**0.2**	0.6	3.0
Income before income taxes	**244.0**	339.4	125.7
Income tax provision	**76.2**	116.3	47.0
Net income	**167.8**	223.1	78.7
Less: Net income attributable to noncontrolling interests	**9.4**	8.8	8.0
Net income attributable to ATI	**$ 158.4**	$ 214.3	$ 70.7
Basic net income attributable to ATI per common share	**$ 1.49**	$ 2.09	$ 0.73
Diluted net income attributable to ATI per common share	**$ 1.43**	$ 1.97	$ 0.72

The accompanying notes are an integral part of these statements.

Table of Contents

Allegheny Technologies Incorporated and Subsidiaries

Consolidated Statements of Comprehensive Income

(In millions)

For the Years Ended December 31,	2012	2011	2010
Net income	**$ 167.8**	$ 223.1	$ 78.7
Currency translation adjustment			
Unrealized net change arising during the period	**14.3**	2.7	(5.4)
Unrealized holding gain (loss) on securities			
Net gain (loss) arising during the period		(0.1)	
Derivatives			
Net derivatives gain (loss) on hedge transactions	**(9.8)**	(19.4)	9.1
Reclassification to net income of net realized gain (loss)	**5.2**	25.5	(20.8)
Income taxes on derivative transactions	**(1.8)**	2.3	(4.5)
Total	**(2.8)**	3.8	(7.2)
Postretirement benefit plans			
Actuarial loss			
Amortization of net actuarial loss	**119.8**	81.2	83.4
Net gain (loss) arising during the period	**(272.7)**	(516.3)	(36.7)
Prior service cost			
Amortization to net income of net prior service cost (credits)	**(11.8)**	(7.0)	(4.7)
Income taxes on postretirement benefit plans	**(67.3)**	(165.0)	17.8
Total	**(97.4)**	(277.1)	24.2
Other comprehensive income (loss), net of tax	**(85.9)**	(270.7)	11.6
Comprehensive income (loss)	**81.9**	(47.6)	90.3
Less: Comprehensive income attributable to noncontrolling interests	**11.3**	14.6	11.2
Comprehensive income (loss) attributable to ATI	**$ 70.6**	$ (62.2)	$ 79.1

The accompanying notes are an integral part of these statements.

Table of Contents

Allegheny Technologies Incorporated and Subsidiaries

Consolidated Balance Sheets

(In millions, except share and per share amounts)	December 31, 2012	December 31, 2011
Assets		
Cash and cash equivalents	**$ 304.6**	$ 380.6
Accounts receivable, net	**613.3**	709.1
Inventories, net	**1,536.6**	1,384.3
Prepaid expenses and other current assets	**56.1**	95.5
Total Current Assets	**2,510.6**	2,569.5
Property, plant and equipment, net	**2,559.9**	2,368.8
Cost in excess of net assets acquired	**740.1**	737.7
Deferred income taxes	**71.5**	
Other assets	**365.7**	370.9
Total Assets	**$ 6,247.8**	$ 6,046.9
Liabilities and Stockholders Equity		
Accounts payable	**$ 499.9**	$ 490.7
Accrued liabilities	**330.5**	320.3
Deferred income taxes	**24.0**	23.5
Short-term debt and current portion of long-term debt	**17.1**	27.3
Total Current Liabilities	**871.5**	861.8
Long-term debt	**1,463.0**	1,482.0
Accrued postretirement benefits	**495.2**	488.1
Pension liabilities	**721.1**	508.9
Deferred income taxes		9.8
Other long-term liabilities	**109.9**	124.7
Total Liabilities	**3,660.7**	3,475.3
Equity:		
ATI Stockholders Equity:		
Preferred stock, par value $0.10: authorized-50,000,000 shares; issued-none		
Common stock, par value $0.10: authorized-500,000,000 shares; issued-109,695,171 shares at December 31, 2012 and 2011; outstanding-107,398,963 shares at December 31, 2012 and 106,354,612 shares at December 31, 2011	**11.0**	11.0
Additional paid-in capital	**1,181.7**	1,207.1
Retained earnings	**2,427.6**	2,361.5
Treasury stock: 2,296,208 shares at December 31, 2012 and 3,340,559 shares at December 31, 2011	**(111.3)**	(162.7)
Accumulated other comprehensive loss, net of tax	**(1,029.4)**	(941.6)
Total ATI Stockholders Equity	**2,479.6**	2,475.3
Noncontrolling Interests	**107.5**	96.3
Total Stockholders Equity	**2,587.1**	2,571.6
Total Liabilities and Stockholders Equity	**$ 6,247.8**	$ 6,046.9

The accompanying notes are an integral part of these statements.

Table of Contents

Allegheny Technologies Incorporated and Subsidiaries

Consolidated Statements of Cash Flows

(In millions)

For the Years Ended December 31,	2012	2011	2010
Operating Activities:			
Net income	**$ 167.8**	$ 223.1	$ 78.7
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**194.0**	174.4	141.5
Deferred taxes	**(19.4)**	52.7	102.2
Change in operating assets and liabilities:			
Retirement benefits	**58.9**	19.6	34.3
Accounts receivable	**95.8**	(78.8)	(153.4)
Inventories	**(152.3)**	(227.3)	(199.0)
Accounts payable	**9.2**	50.0	85.5
Accrued income taxes	**9.4**	42.4	(32.2)
Accrued liabilities and other	**64.1**	40.7	(30.5)
Cash provided by operating activities	**427.5**	296.8	27.1
Investing Activities:			
Purchases of property, plant and equipment	**(382.0)**	(278.2)	(219.1)
Purchases of businesses and investments in ventures		(349.2)	
Asset disposals and other	**3.3**	2.7	2.3
Cash used in investing activities	**(378.7)**	(624.7)	(216.8)
Financing Activities:			
Issuances of long-term debt		500.0	
Payments on long-term debt and capital leases	**(16.7)**	(143.8)	(11.3)
Net borrowings (repayments) under credit facilities	**(10.4)**	(3.1)	2.9
Debt issuance costs		(5.0)	
Dividends paid to shareholders	**(76.5)**	(74.7)	(70.8)
Shares repurchased for income tax withholding on share-based compensation	**(23.4)**	(2.2)	(0.9)
Dividends paid to noncontrolling interests		(7.2)	
Taxes on share-based compensation		10.8	(8.1)
Exercises of stock options and other	**2.2**	1.4	1.4
Cash provided by (used in) financing activities	**(124.8)**	276.2	(86.8)
Decrease in cash and cash equivalents	**(76.0)**	(51.7)	(276.5)
Cash and cash equivalents at beginning of year	**380.6**	432.3	708.8
Cash and cash equivalents at end of year	**$ 304.6**	$ 380.6	$ 432.3

Amounts presented on the Consolidated Statements of Cash Flows may not agree to the corresponding changes in balance sheet items due to the accounting for purchases and sales of businesses and the effects of foreign currency translation.

The accompanying notes are an integral part of these statements.

Table of Contents

Allegheny Technologies Incorporated and Subsidiaries

Statements of Changes in Consolidated Equity

	ATI Stockholders						
(In millions, except per share amounts)	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity
Balance, December 31, 2009	$ 10.2	$ 653.6	$ 2,230.5	$ (208.6)	$ (673.5)	$ 77.4	$ 2,089.6
Net income			**70.7**			**8.0**	**78.7**
Other comprehensive income					8.4	3.2	11.6
Cash dividends on common stock ($0.72 per share)			(70.8)				(70.8)
Employee stock plans		5.3	(5.6)	20.6			20.3
Balance, December 31, 2010	**$ 10.2**	**$ 658.9**	**$ 2,224.8**	**$ (188.0)**	**$ (665.1)**	**$ 88.6**	**$ 2,129.4**
Net income			**214.3**			**8.8**	**223.1**
Other comprehensive income (loss)					(276.5)	5.8	(270.7)
Issuance of common stock	0.8	512.8					513.6
Cash dividends on common stock ($0.72 per share)			(74.7)				(74.7)
Noncontrolling interest acquired						0.7	0.7
Purchase of subsidiary shares from noncontrolling interest		0.2				(0.4)	(0.2)
Dividends paid to noncontrolling interest						(7.2)	(7.2)
Employee stock plans		35.2	(2.9)	25.3			57.6
Balance, December 31, 2011	**$ 11.0**	**$ 1,207.1**	**$ 2,361.5**	**$ (162.7)**	**$ (941.6)**	**$ 96.3**	**$ 2,571.6**
Net income			**158.4**			**9.4**	**167.8**
Other comprehensive income (loss)					(87.8)	1.9	(85.9)
Cash dividends on common stock ($0.72 per share)			(76.5)				(76.5)
Purchase of subsidiary shares from noncontrolling interest						(0.1)	(0.1)
Employee stock plans		(25.4)	(15.8)	51.4			10.2
Balance, December 31, 2012	**$ 11.0**	**$ 1,181.7**	**$ 2,427.6**	**$ (111.3)**	**$ (1,029.4)**	**$ 107.5**	**$ 2,587.1**

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Allegheny Technologies Incorporated and its subsidiaries, including the Chinese joint venture known as Shanghai STAL Precision Stainless Steel Company Limited (STAL), in which the Company has a 60% interest. The remaining 40% interest in STAL is owned by Baosteel Group, a state authorized investment company whose equity securities are publicly traded in the People s Republic of China. The financial results of STAL are consolidated into the Company s operating results and financial position, with the 40% interest of our minority partner recognized in the consolidated statement of income as net income attributable to noncontrolling interests and as equity attributable to the noncontrolling interest within total stockholders equity. Investments in which the Company exercises significant influence, but which it does not control (generally a 20% to 50% ownership interest), including ATI s 50% interest in the industrial titanium joint venture known as Uniti LLC (Uniti), are accounted for under the equity method of accounting. Significant intercompany accounts and transactions have been eliminated. Unless the context requires otherwise, Allegheny Technologies, ATI and the Company refer to Allegheny Technologies Incorporated and its subsidiaries.

Use of Estimates

The preparation of consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

Cash Equivalents and Investments

Cash equivalents are highly liquid investments valued at cost, which approximates fair value, acquired with an original maturity of three months or less.

Accounts Receivable

Accounts receivable are presented net of a reserve for doubtful accounts of $5.5 million at December 31, 2012 and $5.9 million at December 31, 2011. The Company markets its products to a diverse customer base, principally throughout the United States. Trade credit is extended based upon evaluations of each customer s ability to perform its obligations, which are updated periodically. Accounts receivable reserves are determined based upon an aging of accounts and a review for collectability of specific accounts. No single customer accounted for more than 10% of sales for all years presented. Accounts receivable from Uniti were $3.1 million and $18.5 million at December 31, 2012 and 2011, respectively.

Inventories

Inventories are stated at the lower of cost (last-in, first-out (LIFO), first-in, first-out (FIFO), and average cost methods) or market, less progress payments. Costs include direct material, direct labor and applicable manufacturing and engineering overhead, and other direct costs. Most of the Company s inventory is valued utilizing the LIFO costing methodology. Inventory of the Company s non-U.S. operations is valued using average cost or FIFO methods.

The Company evaluates product lines on a quarterly basis to identify inventory values that exceed estimated net realizable value. The calculation of a resulting reserve, if any, is recognized as an expense in the period that the need for the reserve is identified. It is the Company s general policy to write-down to scrap value any inventory that is identified as obsolete and any inventory that has aged or has not moved in more than twelve months. In some instances this criterion is up to twenty-four months.

Long-Lived Assets

Property, plant and equipment are recorded at cost, including capitalized interest, and includes long-lived assets acquired under capital leases. The principal method of depreciation adopted for all property placed into service after July 1, 1996 is the straight-line method. For buildings and equipment acquired prior to July 1, 1996, depreciation is computed using a combination of accelerated and straight-line methods. Property, plant and equipment associated with the Company s titanium sponge facility in Rowley, UT is being depreciated utilizing the units of production method of depreciation, which the Company believes provides a better matching of costs and revenues. The Company periodically reviews estimates of useful life and production capacity assigned to new and in service assets. Significant enhancements, including major maintenance activities that extend the lives of property and equipment, are capitalized. Costs related to repairs and maintenance are charged to expense in the period incurred. The cost and related accumulated depreciation of property and equipment retired or disposed of are removed from the accounts and any related gains or losses are included in income.

The Company monitors the recoverability of the carrying value of its long-lived assets. An impairment charge is recognized when an indicator of impairment occurs and the expected net undiscounted future cash flows from an asset s use (including any proceeds from disposition) are less than the asset s carrying value and the asset s carrying value exceeds its fair value. Assets to be disposed of by sale are stated at the lower of their fair values or carrying amounts and depreciation is no longer recognized.

Cost in Excess of Net Assets Acquired

At December 31, 2012, the Company had $740.1 million of goodwill on its balance sheet. Of the total, $600.8 million related to the High Performance Metals segment, $112.1 million related to the Flat-Rolled Products segment, and $27.2 million related to the Engineered Products segment. Goodwill increased $2.4 million as a result of the impact of foreign currency translation on goodwill denominated in functional currencies other than the U.S. dollar. Goodwill and indefinite-lived intangible assets are reviewed annually for impairment or more frequently if impairment indicators arise. The review for goodwill impairment requires a comparison of the fair value of each reporting unit that has goodwill associated with its operations with its carrying amount, including goodwill. If this comparison reflects impairment, then the loss would be measured as the excess of recorded goodwill over its implied fair value. Implied fair value is the excess of the fair value of the reporting unit over the fair value of all recognized and unrecognized assets and liabilities.

Changes in accounting standards, which were adopted by the Company in 2011, provide the option to qualitatively assess goodwill for impairment before completing a quantitative assessment. Under the qualitative approach, if, after assessing the totality of events or circumstances, including both macroeconomic, industry and market factors, and entity-specific factors, the Company determines it is likely (more likely than not) that the fair value of a reporting unit is greater than its carrying amount, then the quantitative impairment analysis is not required. The quantitative assessment may be performed each year for a reporting unit at the Company s option without first performing a qualitative assessment. The Company s quantitative assessment of goodwill for possible impairment includes estimating the fair market value of a reporting unit which has goodwill associated with its operations using discounted cash flow and multiples of cash earnings valuation techniques, plus valuation comparisons to recent public sale transactions of similar businesses, if any. These impairment assessments and valuation methods require the Company to make estimates and assumptions regarding future operating results, cash flows, changes in working capital and capital expenditures, selling prices, profitability, and the cost of capital. Many of these assumptions are determined by reference to market participants identified by the Company. Although management believes that the estimates and assumptions used were reasonable, actual results could differ from those estimates and assumptions. The Company performs the required annual goodwill impairment evaluation in the fourth quarter of each year. No impairment of goodwill was determined to exist for the years ended December 31, 2012, 2011 or 2010.

Environmental

Costs that mitigate or prevent future environmental contamination or extend the life, increase the capacity or improve the safety or efficiency of property utilized in current operations are capitalized. Other costs that relate to current operations or an existing condition caused by past operations are expensed. Environmental liabilities are recorded when the Company s liability is probable and the costs are reasonably estimable, but generally not later than the completion of the feasibility study or the Company s recommendation of a remedy or commitment to an appropriate plan of action. The accruals are reviewed periodically and, as investigations and remediations proceed, adjustments of the accruals are made to reflect new information as appropriate. Accruals for losses from environmental remediation obligations do not take into account the effects of inflation, and anticipated expenditures are not discounted to their present value. The accruals are not reduced by possible recoveries from insurance carriers or other third parties, but do reflect allocations among potentially responsible parties (PRPs) at Federal Superfund sites or similar state-managed sites after an assessment is made of the likelihood that such parties will fulfill their obligations at such sites and after appropriate cost-sharing or other agreements are entered. The measurement of environmental liabilities by the Company is based on currently available facts, present laws and regulations, and current technology. Such estimates take into consideration the Company s prior experience in site investigation and remediation, the data concerning cleanup costs available from other companies and regulatory authorities, and the professional judgment of the Company s environmental experts in consultation with outside environmental specialists, when necessary.

Foreign Currency Translation

Assets and liabilities of international operations are translated into U.S. dollars using year-end exchange rates, while revenues and expenses are translated at average exchange rates during the period. The resulting net translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in stockholders equity.

Sales Recognition

Sales are recognized when title passes or as services are rendered.

Research and Development

Company funded research and development costs were $25.3 million in 2012, $19.3 million in 2011, and $16.5 million in 2010 and were expensed as incurred. Customer funded research and development costs were $1.5 million in 2012, $1.5 million in 2011, and $0.8 million in 2010. Customer funded research and development costs are recognized in the consolidated statement of income in accordance with revenue recognition policies.

Stock-based Compensation

The Company accounts for stock-based compensation transactions, such as stock options, restricted stock, and potential award payments under programs such as the Company s Total Shareholder Return Incentive Compensation Program (TSRP) awards, using fair value. Compensation expense for an award is estimated at the date of grant and is recognized over the requisite service period. Compensation expense is adjusted for equity awards that do not vest because service or performance conditions are not satisfied. However, compensation expense already recognized is not adjusted if market conditions are not met, such as the Company s total shareholder return performance relative to a peer group under the Company s TSRP awards, or for stock options which expire out-of-the-money.

Income Taxes

The provision for, or benefit from, income taxes includes deferred taxes resulting from temporary differences in income for financial and tax purposes using the liability method. Such temporary differences result primarily from differences in the carrying value of assets and liabilities. Future realization of deferred income tax assets requires sufficient taxable income within the carryback, carryforward period available under tax law.

The Company evaluates, on a quarterly basis whether, based on all available evidence, it is probable that the deferred income tax assets are realizable. Valuation allowances are established when it is estimated that it is more likely than not that the tax benefit of the deferred tax asset will not be realized. The evaluation includes the consideration of all available evidence, both positive and negative, regarding historical operating results including recent years with reported losses, the estimated timing of future reversals of existing taxable temporary differences, estimated future taxable income exclusive of reversing temporary differences and carryforwards, and potential tax planning strategies which may be employed to prevent an operating loss or tax credit carryforward from expiring unused.

It is the Company s policy to classify interest and penalties recognized on underpayment of income taxes as income tax expense.

Net Income Per Common Share

Basic and diluted net income per share are calculated by dividing the net income available to common stockholders by the weighted average number of common shares outstanding during the year. Diluted amounts assume the issuance of common stock for all potentially dilutive share equivalents outstanding. The calculation of diluted net loss per share, if any, excludes the potentially dilutive effect of dilutive share equivalents since the inclusion in the calculation of additional shares in the net loss per share would result in a lower per share loss and therefore be anti-dilutive.

Table of Contents

New Accounting Pronouncements Adopted

In June 2011, the Financial Accounting Standards Board (FASB) issued amendments to financial accounting standards related to the presentation of comprehensive income which requires entities to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Additionally, these amendments require an entity to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statements where the components of net income and the components of other comprehensive income are presented. In December 2011, the FASB deferred the requirement for presenting the reclassification adjustments from comprehensive income to net income by component within the face of the financial statements. Finally, no changes were made to the calculation and presentation of earnings per share. These amendments, with retrospective application, were effective for interim and annual periods in fiscal year 2012. A separate consolidated statement of comprehensive income is included in these consolidated financial statements. Other than the change in presentation, these changes did not have an impact on the consolidated financial statements. In February 2013, the FASB further amended the accounting standards adding new disclosure requirements for items reclassified out of accumulated other comprehensive income. The newly issued guidance will require entities to disclose additional information about reclassification adjustments, including (1) changes in accumulated other comprehensive income balances by component and (2) significant items reclassified out of accumulated other comprehensive income. The new disclosure requirements are effective for fiscal years, and interim periods within those years, beginning after December 15, 2012.

In July 2012, the FASB issued amended guidance that simplifies how entities test indefinite-lived intangible assets other than goodwill for impairment. The changes are effective for interim and annual periods beginning after September 15, 2012 with early adoption permitted. The Company elected to early adopt this guidance, which provides the Company with the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not (more than 50%) that the fair value of the indefinite-lived intangible assets other than goodwill is less than its carrying amount. If an entity elects to perform a qualitative assessment and determines that an impairment is more likely than not, the entity is then required to perform the existing two-step quantitative impairment test, otherwise no further analysis is required. An entity also may elect not to perform the qualitative assessment and, instead, go directly to the two-step quantitative impairment test.

Pending Accounting Pronouncements

In December 2011, the FASB issued guidance enhancing disclosure requirements about the nature of an entity s right to offset and related arrangements associated with its financial instruments and derivative instruments. The new guidance requires the disclosure of the gross amounts subject to rights of set-off, amounts offset in accordance with the accounting standards followed, and the related net exposure. The new guidance will be effective for the Company beginning January 2013. We do not anticipate material impacts on our financial statements upon adoption.

Note 2. Inventories

Inventories at December 31, 2012 and 2011 were as follows (in millions):

	2012	2011
Raw materials and supplies	**$ 351.6**	$ 205.7
Work-in-process	**1,063.9**	1,150.0
Finished goods	**209.0**	199.9
Total inventories at current cost	**1,624.5**	1,555.6
Less allowances to reduce current cost values to LIFO basis	**(76.9)**	(153.7)
Progress payments	**(11.0)**	(17.6)
Total inventories, net	**$ 1,536.6**	$ 1,384.3

Inventories, before progress payments, determined on the LIFO method were $997.3 million at December 31, 2012, and $987.1 million at December 31, 2011. The remainder of the inventory was determined using the FIFO and average cost methods, and these inventory values do not differ materially from current cost. The effect of using the LIFO methodology to value inventory, rather than FIFO, decreased cost of sales in 2012 by $76.8 million. In 2011 the impact of using the LIFO methodology, rather than FIFO, decreased costs of sales by $9.3 million while in

2010 the impact was an increase to cost of sales in the amount of $60.2 million.

During 2012, 2011, and 2010, inventory usage resulted in liquidations of LIFO inventory quantities. These inventories were carried at differing costs prevailing in prior years as compared with the cost of current manufacturing cost and purchases. The effect of these LIFO liquidations was to increase cost of sales by $1.5 million in 2012, increase cost of sales by $0.1 million in 2011 and decrease cost of sales by $1.8 million in 2010.

Table of Contents

Note 3. Property, Plant and Equipment

Property, plant and equipment at December 31, 2012 and 2011 was as follows:

(In millions)	**2012**	2011
Land	**$ 34.4**	$ 34.0
Buildings	**921.0**	757.0
Equipment and leasehold improvements	**3,344.4**	3,146.2
	4,299.8	3,937.2
Accumulated depreciation and amortization	**(1,739.9)**	(1,568.4)
Total property, plant and equipment, net	**$ 2,559.9**	$ 2,368.8

Construction in progress at December 31, 2012 and 2011 was $601.6 million and $346.2 million, respectively. Depreciation and amortization for the years ended December 31, 2012, 2011 and 2010 was as follows:

(In millions)	**2012**	2011	2010
Depreciation of property, plant and equipment	**$ 169.5**	$ 152.8	$ 126.3
Software and other amortization	**24.5**	21.6	15.2
Total depreciation and amortization	**$ 194.0**	$ 174.4	$ 141.5

Note 4. Asset Retirement Obligations

The Company maintains reserves where a legal obligation exists to perform an asset retirement activity and the fair value of the liability can be reasonably estimated. These asset retirement obligations (ARO) include liabilities where the timing and (or) method of settlement may be conditional on a future event, that may or may not be within the control of the entity. At December 31, 2012, the Company had recognized AROs of $13.0 million related to landfill closures, facility leases and conditional AROs associated with manufacturing activities using what may be characterized as potentially hazardous materials.

Estimates of AROs are evaluated annually in the fourth quarter, or more frequently if material new information becomes known. Accounting for asset retirement obligations requires significant estimation and in certain cases, the Company has determined that an ARO exists, but the amount of the obligation is not reasonably estimable. The Company may determine that additional AROs are required to be recognized as new information becomes available.

Changes in asset retirement obligations for the years ended December 31, 2012 and 2011 were as follows:

(in millions)	**2012**	2011
Balance at beginning of year	**$ 12.8**	$ 13.2
Accretion expense	**1.1**	1.1
Payments	**(0.6)**	(1.6)
Revision of estimates	**(0.3)**	(0.6)
Liabilities incurred		0.7
Balance at end of year	**$ 13.0**	$ 12.8

Note 5. Supplemental Financial Statement Information

Cash and cash equivalents at December 31, 2012 and 2011 were as follows:

(in millions)	**2012**	2011
Cash	**$ 222.8**	$ 339.6
Other short-term investments	**81.8**	41.0
Total cash and cash equivalents	**$ 304.6**	$ 380.6

Accounts receivable are presented net of a reserve for doubtful accounts of $5.5 million at December 31, 2012, and $5.9 million at December 31, 2011. During 2012, the Company recognized expense of $1.0 million to increase the reserve for doubtful accounts and wrote off $1.4 million of uncollectible accounts, which decreased the reserve. During 2011, the Company recognized expense of $2.1 million to increase the reserve for doubtful accounts and wrote off $2.7 million of uncollectible accounts, which decreased the reserve. Additionally, the 2011 year end reserve for doubtful accounts included $0.9 million acquired as part of the Ladish acquisition. During 2010, the Company recognized expense of $0.5 million to increase the reserve for doubtful accounts and wrote off $1.4 million of uncollectible accounts, which decreased the reserve.

Table of Contents

Other intangible assets, which are included in Other assets on the accompanying consolidated balance sheets as of December 31, 2012 and 2011 were as follows:

		December 31, 2012		December 31, 2011	
(in millions)	**Useful life (years)**	**Gross carrying amount**	**Accumulated amortization**	**Gross carrying amount**	**Accumulated amortization**
Technology	20	$ 74.0	$ (2.0)	$ 74.0	$ (0.8)
Customer relationships	25	31.0	(6.2)	31.0	(2.5)
Total amortizable intangible assets		105.0	(8.2)	105.0	(3.3)
Indefinite-lived trademarks		61.0		61.0	
Total intangible assets		$ 166.0	$ (8.2)	$ 166.0	$ (3.3)

Amortization expense related to the amortizable intangibles acquired in the Ladish acquisition was approximately $4.9 million and $3.3 million for the years ended December 31, 2012 and 2011, respectively. For each of the years ending December 31, 2013 through 2017, annual amortization expense is expected to be $4.9 million. No impairment of indefinite-lived intangible assets was determined to exist for the years ended December 31, 2012 and 2011.

Accrued liabilities included salaries, wages and other payroll-related liabilities of $79.3 million and $86.3 million at December 31, 2012 and 2011, respectively.

Other income (expense) for the years ended December 31, 2012, 2011, and 2010 was as follows:

(in millions)	**2012**	2011	2010
Rent, royalty income and other income	**$ 0.8**	$ 1.3	$ 1.4
Gain (losses) on insured events		(0.2)	2.0
Net losses on property and investments	**(0.5)**	(0.3)	
Other	**(0.1)**	(0.2)	(0.4)
Total other income, net	**$ 0.2**	$ 0.6	$ 3.0

Note 6. Debt

Debt at December 31, 2012 and 2011 was as follows:

(In millions)	**2012**	2011
Allegheny Technologies $500 million 5.95% Senior Notes due 2021	**$ 500.0**	$ 500.0
Allegheny Technologies $402.5 million 4.25% Convertible Senior Notes due 2014	**402.5**	402.5
Allegheny Technologies $350 million 9.375% Senior Notes due 2019	**350.0**	350.0
Allegheny Ludlum 6.95% Debentures due 2025	**150.0**	150.0
Ladish Series B 6.14% Notes due 2016 (a)	**24.8**	31.8
Ladish Series C 6.41% Notes due 2015 (b)	**32.5**	44.6
Domestic Bank Group $400 million unsecured credit agreement		
Foreign credit agreements	**14.2**	24.5
Industrial revenue bonds, due through 2020, and other	**6.1**	5.9

Total short-term and long-term debt	**1,480.1**	1,509.3
Short-term debt and current portion of long-term debt	**17.1**	27.3
Total long-term debt	**$ 1,463.0**	$ 1,482.0

(a) Includes fair value adjustments of $1.9 million and $3.2 million at December 31, 2012 and December 31, 2011, respectively.
(b) Includes fair value adjustments of $2.5 million and $4.6 million at December 31, 2012 and December 31, 2011, respectively.

Interest expense was $72.4 million in 2012, $93.7 million in 2011, and $63.8 million in 2010. Interest expense was reduced by $24.5 million, $12.1 million, and $12.5 million, in 2012, 2011, and 2010, respectively, from interest capitalization on capital projects. Interest and commitment fees paid were $96.5 million in 2012, $102.8 million in 2011, and $72.8 million in 2010. Net interest expense includes interest income of $0.8 million in 2012, $1.4 million in 2011, and $1.1 million in 2010.

Scheduled principal payments during the next five years are $17.1 million in 2013, $419.6 million in 2014, $17.2 million in 2015, $21.4 million in 2016, and $0.3 million in 2017.

Unsecured Credit Agreement

The Company has a $400 million senior unsecured domestic revolving credit facility that expires in April 2017. The facility includes a $200 million sublimit for the issuance of letters of credit. Under the terms of the facility, the Company may increase the size of the credit facility by up to $100 million without seeking the further approval of the lending group. The facility requires the Company to maintain a leverage ratio (consolidated total indebtedness divided by consolidated earnings before interest, taxes and depreciation and amortization) of not greater than 3.25, and maintain an interest coverage ratio (consolidated earnings before interest and taxes divided by interest expense) of not less than 2.0. At December 31, 2012, the leverage ratio was 2.09 and the interest coverage ratio was 5.68. The definition of consolidated earnings before interest and taxes, and consolidated earnings before income, taxes, depreciation and amortization as used in the interest coverage and leverage ratios excludes any non-cash pension expense or income, and consolidated indebtedness in the leverage ratio is net of cash on hand in excess of $50 million. The Company was in compliance with these required ratios during all applicable periods. As of December 31, 2012, there had been no borrowings made under the facility, although a portion of the facility was used to support approximately $4 million in letters of credit.

Borrowings or letter of credit issuance under the unsecured facility bear interest at the Company s option at either: (1) the one-, two-, three- or six-month LIBOR rate plus a margin ranging from 1.00% to 1.75% depending upon the value of the leverage ratio as defined by the unsecured facility agreement; or (2) a base rate announced from time-to-time by the lending group (i.e., the Prime lending rate). In addition, the unsecured facility contains a facility fee of 0.15% to 0.25% depending upon the value of the leverage ratio. The Company s overall borrowing costs under the unsecured facility are not affected by changes in the Company s credit ratings.

Convertible Notes

In June 2009, ATI issued $402.5 million in aggregate principal amount of 4.25% Convertible Senior Notes due 2014 (the Convertible Notes). Interest is payable semi-annually on June 1 and December 1 of each year. The Convertible Notes are unsecured and unsubordinated obligations of the Company and rank equally with all of its existing and future senior unsecured debt.

The Company does not have the right to redeem the Convertible Notes prior to the stated maturity date. Holders of the Convertible Notes have the option to convert their notes into shares of ATI common stock at any time prior to the close of business on the second scheduled trading day immediately preceding the stated maturity date (June 1, 2014). The initial conversion rate for the Convertible Notes is 23.9263 shares of ATI common stock per $1,000 (in whole dollars) principal amount of Convertible Notes (9,630,336 shares), equivalent to a conversion price of approximately $41.795 per share, subject to adjustment, as defined in the Convertible Notes. Other than receiving cash in lieu of fractional shares, holders do not have the option to receive cash instead of shares of common stock upon conversion. Accrued and unpaid interest that exists upon conversion of a Convertible Note will be deemed paid by the delivery of shares of ATI common stock and no cash payment or additional shares will be given to holders.

If the Company undergoes a fundamental change, as defined in the Convertible Notes, holders may require the Company to repurchase all or a portion of their Convertible Notes at a price equal to 100% of the principal amount of the notes to be purchased plus any accrued and unpaid interest up to, but excluding, the repurchase date. Such a repurchase will be made in cash.

Ladish Notes

In conjunction with the acquisition of Ladish Co., Inc. (Ladish) in May 2011, the Company assumed the Series B and Series C Notes previously issued by Ladish. The Series B 6.14% Notes are unsecured and have a principal balance of $22.9 million at December 31, 2012, excluding fair value adjustments. The Series B Notes pay interest semi-annually and mature on May 16, 2016, with the principal amortizing equally in annual payments over the remaining term. The Series C 6.41% Notes are unsecured and have a principal balance of $30.0 million at December 31, 2012, excluding fair value adjustments. The Series C Notes pay interest semi-annually and mature on September 2, 2015, with the principal amortizing equally in annual payments over the remaining term. The Series B and Series C Notes contain financial covenants specific to ATI Ladish which (1) limit the incurrence of certain additional debt; (2) require a certain level of consolidated adjusted net worth; (3) require minimum fixed charges coverage ratio; and (4) require a limited amount of funded debt to consolidated cash flow. The covenant on incurrence of additional debt limits funded debt to 60% of total capitalization. ATI Ladish was in compliance with all Series B and Series C covenants at December 31, 2012. In March 2012, the ATI Ladish Series B and Series C Notes were amended to replace certain reporting requirements specific to these Notes with a Parent Guaranty Agreement by ATI, by which ATI unconditionally guarantees all amounts payable by ATI Ladish LLC for the Series B and Series C Notes. As a result of the March 2012 amendment, the Series B and Series C Notes are equally ranked with all of ATI s existing and future senior unsecured debt.

Foreign and Other Credit Facilities

The Company has an additional separate credit facility for the issuance of letters of credit. As of December 31, 2012, $32 million in letters of credit were outstanding under this facility.

STAL, the Company s Chinese joint venture company in which ATI has a 60% interest, has a revolving credit facility with a group of banks that expires in August 2014. Under the credit facility, STAL may borrow up to 205 million renminbi (approximately $33 million based on December 2012 exchange rates) at an interest rate equal to 90% of the applicable lending rate published by the People s Bank of China. The credit facility is supported solely by STAL s financial capability without any guarantees from the joint venture partners, and is intended to be utilized in the future to support the expansion of STAL s operations, which are located in Shanghai, China. The credit facility requires STAL to maintain a minimum level of shareholders equity, and certain financial ratios. We were in compliance with these required ratios during all applicable periods. As of December 31, 2012, there had been no borrowings made under the STAL credit facility.

The Company s subsidiaries also maintain other credit agreements with various foreign banks, which provide for borrowings of up to approximately $27 million. At December 31, 2012, the Company had approximately $13 million of available borrowing capacity under these foreign credit agreements. These agreements provide for annual facility fees of up to 0.20%. The weighted average interest rate of foreign credit agreements as of December 31, 2012, was 1.26%.

The Company has no off-balance sheet financing relationships as defined in Item 303(a)(4) of SEC Regulation S-K, with variable interest entities, structured finance entities, or any other unconsolidated entities. At December 31, 2012, the Company had not guaranteed any third-party indebtedness.

Note 7. Derivative Financial Instruments and Hedging

As part of its risk management strategy, the Company, from time-to-time, utilizes derivative financial instruments to manage its exposure to changes in raw material prices, energy costs, foreign currencies, and interest rates. In accordance with applicable accounting standards, the Company accounts for all of these contracts as hedges. In general, hedge effectiveness is determined by examining the relationship between offsetting changes in fair value or cash flows attributable to the item being hedged, and the financial instrument being used for the hedge. Effectiveness is measured utilizing regression analysis and other techniques to determine whether the change in the fair market value or cash flows of the derivative exceeds the change in fair value or cash flow of the hedged item. Calculated ineffectiveness, if any, is immediately recognized on the statement of income.

The Company sometimes uses futures and swap contracts to manage exposure to changes in prices for forecasted purchases of raw materials, such as nickel, and natural gas. Generally under these contracts, which are accounted for as cash flow hedges, the price of the item being hedged is fixed at the time that the contract is entered into and the Company is obligated to make or receive a payment equal to the net change between this fixed price and the market price at the date the contract matures.

The majority of ATI s products are sold utilizing raw material surcharges and index mechanisms. However, as of December 31, 2012, the Company had entered into financial hedging arrangements primarily at the request of its customers, related to firm orders, for an aggregate notional amount of approximately 10% of the Company s estimated annual nickel requirements. These nickel hedges extend to 2016.

At December 31, 2012, the outstanding financial derivatives used to hedge the Company s exposure to energy cost volatility included natural gas cost hedges for approximately 70% of its annual forecasted domestic requirements for 2013, 40% for 2014, and approximately 5% for 2015, and electricity hedges for Western Pennsylvania operations of approximately 10% of its forecasted on-peak and off-peak requirements for 2014.

Table of Contents

While the majority of the Company s direct export sales are transacted in U.S. dollars, foreign currency exchange contracts are used, from time-to-time, to limit transactional exposure to changes in currency exchange rates for those transactions denominated in a non-U.S. currency. The Company sometimes purchases foreign currency forward contracts that permit it to sell specified amounts of foreign currencies expected to be received from its export sales for pre-established U.S. dollar amounts at specified dates. The forward contracts are denominated in the same foreign currencies in which export sales are denominated. These contracts are designated as hedges of the variability in cash flows of a portion of the forecasted future export sales transactions which otherwise would expose the Company to foreign currency risk. At December 31, 2012, the outstanding financial derivatives used to hedge the Company s exposure to foreign currency, primarily euros, represented approximately 10% of the Company s forecasted total international sales through 2015. In addition, the Company may also designate cash balances held in foreign currencies as hedges of forecasted foreign currency transactions.

The Company may enter into derivative interest rate contracts to maintain a reasonable balance between fixed- and floating-rate debt. There were no unsettled derivative financial instruments related to debt balances for the periods presented.

The fair values of the Company s derivative financial instruments are presented below. All fair values for these derivatives were measured using Level 2 information as defined by the accounting standard hierarchy, which includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs derived principally from or corroborated by observable market data.

(in millions): Asset derivatives	Balance sheet location	**December 31, 2012**	December 31, 2011
Derivatives designated as hedging instruments:			
Foreign exchange contracts	Prepaid expenses and other current assets	**$ 2.9**	$ 9.5
Nickel and other raw material contracts	Prepaid expenses and other current assets	**0.6**	0.7
Natural gas contracts	Prepaid expenses and other current assets	**0.4**	
Foreign exchange contracts	Other assets	**0.9**	5.9
Natural gas contracts	Other assets	**0.7**	
Nickel and other raw material contracts	Other assets	**0.3**	1.1
Total derivatives designated as hedging instruments:		**5.8**	17.2
Derivatives not designated as hedging instruments:			
Foreign exchange contracts	Prepaid expenses and other current assets	**0.4**	3.5
Total derivatives not designated as hedging instruments:		**0.4**	3.5
Total asset derivatives		**$ 6.2**	$ 20.7

Liability derivatives	Balance sheet location		
Derivatives designated as hedging instruments:			
Natural gas contracts	Accrued liabilities	**$ 4.4**	$ 10.1
Foreign exchange contracts	Accrued liabilities	**1.7**	
Nickel and other raw material contracts	Accrued liabilities	**1.1**	1.6
Electricity contracts	Accrued liabilities	**0.3**	2.0
Foreign exchange contracts	Other long-term liabilities	**1.4**	
Natural gas contracts	Other long-term liabilities	**0.6**	3.3
Electricity contracts	Other long-term liabilities	**0.4**	
Nickel and other raw material contracts	Other long-term liabilities	**0.3**	0.1
Total liability derivatives		**$ 10.2**	$ 17.1

Derivatives not designated as hedging instruments:					
Foreign exchange contracts	Accrued liabilities		**1.6**		
Total derivatives not designated as hedging instruments:			**1.6**		
Total liability derivatives		**$**	**11.8**	$	17.1

For derivative financial instruments that are designated as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income (OCI) and reclassified into earnings in the same period or periods during which the hedged item affects earnings. Gains and losses on the derivative representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness are recognized in current period results. The Company did not use fair value or net investment hedges for the periods presented. The effects of derivative instruments in the tables below are presented net of related income taxes.

Table of Contents

Activity with regard to derivatives designated as cash flow hedges for the year ended December 31, 2012 were as follows (in millions):

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in OCI on Derivatives (Effective Portion)		Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion) (a)		Amount of Gain (Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing) (b)	
	2012	2011	**2012**	2011	**2012**	2011
Nickel and other raw material contracts	**$ (3.6)**	$ (5.9)	**$ (3.4)**	$ (3.1)	**$**	$
Natural gas contracts	**(2.4)**	(10.1)	**(8.1)**	(12.5)		
Electricity contracts	**(1.0)**	(1.1)	**(1.8)**	(0.3)		
Foreign exchange contracts	**1.0**	5.2	**10.1**	0.2		
Total	**$ (6.0)**	$ (11.9)	**$ (3.2)**	$ (15.7)	**$**	$

(a) The gains (losses) reclassified from accumulated OCI into income related to the effective portion of the derivatives are presented in cost of sales.
(b) The gains (losses) recognized in income on derivatives related to the ineffective portion and the amount excluded from effectiveness testing are presented in selling and administrative expenses.

Assuming market prices remain constant with those at December 31, 2012, a loss of $2.2 million is expected to be recognized over the next 12 months.

The disclosures of gains or losses presented above for nickel and other raw material contracts and foreign exchange contracts do not take into account the anticipated underlying transactions. Since these derivative contracts represent hedges, the net effect of any gain or loss on results of operations may be fully or partially offset.

Derivatives that are not designated as hedging instruments were as follows:

(In millions) Derivatives Not Designated as Hedging Instruments	Amount of Gain (Loss) Recognized in Income on Derivatives	
	2012	2011
Foreign exchange contracts	**$ (3.5)**	$

Changes in the fair value of foreign exchange contract derivatives not designated as hedging instruments are recorded in cost of sales.

There are no credit risk-related contingent features in the Company s derivative contracts, and the contracts contained no provisions under which the Company has posted, or would be required to post, collateral. The counterparties to the Company s derivative contracts were substantial and creditworthy commercial banks that are recognized market makers. The Company controls its credit exposure by diversifying across multiple counterparties and by monitoring credit ratings and credit default swap spreads of its counterparties. The Company also enters into master netting agreements with counterparties when possible.

Table of Contents

Note 8. Fair Value of Financial Instruments

The estimated fair value of financial instruments at December 31, 2012 was as follows:

			Fair Value Measurements at Reporting Date Using	
(In millions)	Total Carrying Amount	Total Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)
Cash and cash equivalents	$ 304.6	$ 304.6	$ 304.6	$
Derivative financial instruments:				
Assets	6.2	6.2		6.2
Liabilities	11.8	11.8		11.8
Debt	1,480.1	1,703.2	1,625.6	77.6

The estimated fair value of financial instruments at December 31, 2011 was as follows:

			Fair Value Measurements at Reporting Date Using	
(In millions)	Total Carrying Amount	Total Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)
Cash and cash equivalents	$ 380.6	$ 380.6	$ 380.6	$
Derivative financial instruments:				
Assets	20.7	20.7		20.7
Liabilities	17.1	17.1		17.1
Debt	1,509.3	1,791.3	1,684.5	106.8

In accordance with accounting standards, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Accounting standards established three levels of a fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

Cash and cash equivalents: Fair values were determined using Level 1 information.

Derivative financial instruments: Fair values for derivatives were measured using exchange-traded prices for the hedged items. The fair value was determined using Level 2 information, including consideration of counterparty risk and the Company s credit risk.

Short-term and long-term debt: The fair values of the Allegheny Technologies 4.25% Convertible Senior Notes due 2014, the Allegheny Technologies 9.375% Senior Notes due 2019, the Allegheny Technologies 5.95% Senior Notes due 2021, and the Allegheny Ludlum 6.95% Debentures due 2025 were determined using Level 1 information. The fair values of the other short-term and long-term debt were determined using Level 2 information.

Table of Contents

Note 9. Pension Plans and Other Postretirement Benefits

The Company has defined benefit pension plans and defined contribution plans covering substantially all employees. Benefits under the defined benefit pension plans are generally based on years of service and/or final average pay. The Company funds the U.S. pension plans in accordance with the Employee Retirement Income Security Act of 1974, as amended, and the Internal Revenue Code (Code).

The Company also sponsors several postretirement plans covering certain salaried and hourly employees. The plans provide health care and life insurance benefits for eligible retirees. In most plans, Company contributions towards premiums are capped based on the cost as of a certain date, thereby creating a defined contribution. For the non-collectively bargained plans, the Company maintains the right to amend or terminate the plans at its discretion.

The components of pension and other postretirement benefit expense for the Company s defined benefit plans included the following:

	Pension Benefits			Other Postretirement Benefits		
(in millions)	**2012**	2011	2010	**2012**	2011	2010
Service cost benefits earned during the year	**$ 35.0**	$ 30.0	$ 30.2	**$ 3.1**	$ 3.2	$ 3.1
Interest cost on benefits earned in prior years	**132.4**	135.1	131.9	**26.1**	27.5	28.9
Expected return on plan assets	**(181.4)**	(192.1)	(181.5)	**(0.8)**	(1.0)	(1.4)
Amortization of prior service cost (credit)	**6.4**	11.3	13.4	**(18.2)**	(18.3)	(18.1)
Amortization of net actuarial loss	**105.2**	71.3	77.4	**14.6**	9.9	6.0
Termination benefits		0.8			0.2	
Total retirement benefit expense	**$ 97.6**	$ 56.4	$ 71.4	**$ 24.8**	$ 21.5	$ 18.5

Special termination benefits were recorded in 2011 in conjunction with the temporary idling of the Flat-Rolled Products segment s New Castle, IN finishing facility.

Actuarial assumptions used to develop the components of defined benefit pension expense and other postretirement benefit expense were as follows:

	Pension Benefits			Other Postretirement Benefits		
	2012	2011	2010	**2012**	2011	2010
Discount rate (a)	**5.00%**	5.45 - 5.8%	6.20%	**5.00%**	5.45 - 5.8%	6.20%
Rate of increase in future compensation levels	**3.0 - 4.50%**	2.5 - 4.5%	2.5 - 4.5%			
Expected long-term rate of return on assets	**8.50%**	8.50%	8.75%	**8.3%**	8.3%	8.3%

(a) Pension and other postretirement benefit expense for 2011 was initially measured at a 5.8% discount rate. The Ladish pension and other postretirement benefit plans acquired on May 9, 2011 were valued using a 5.45% discount rate. Certain other postretirement benefit plan obligations were remeasured as of August 1, 2011 using a 5.5% discount rate as a result of benefit changes.

Actuarial assumptions used for the valuation of defined benefit pension and other postretirement benefit obligations at the end of the respective periods were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2012	2011	**2012**	2011
Discount rate	**4.25%**	5.00%	**4.25%**	5.00%
Rate of increase in future compensation levels	**3.0% - 3.5%**	3.0% - 4.5%		

Table of Contents

A reconciliation of the funded status for the Company s defined benefit pension and other postretirement benefit plans at December 31, 2012 and 2011 was as follows:

	Pension Benefits		Other Postretirement Benefits	
(in millions)	**2012**	2011	**2012**	2011
Change in benefit obligations:				
Benefit obligation at beginning of year	**$ 2,750.3**	$ 2,293.6	**$ 568.6**	$ 499.6
Service cost	**35.0**	30.0	**3.1**	3.2
Interest cost	**132.4**	135.1	**26.1**	27.5
Benefits paid	**(194.6)**	(186.9)	**(52.6)**	(56.1)
Subsidy paid			**1.6**	1.4
Participant contributions	**0.6**	0.7		
Acquisition		210.7		32.3
Effect of currency rates	**3.5**	0.8		
Benefit changes		2.3		3.4
Net actuarial (gains) losses discount rate change	**242.4**	216.3	**35.7**	22.2
other	**(17.6)**	46.9	**(8.2)**	34.9
Special termination benefits		0.8		0.2
Benefit obligation at end of year	**$ 2,952.0**	$ 2,750.3	**$ 574.3**	$ 568.6
Change in plan assets:				
Fair value of plan assets at beginning of year	**$ 2,232.7**	$ 2,237.4	**$ 8.8**	$ 12.5
Actual returns on plan assets and plan expenses	**164.7**	1.8	**(1.6)**	1.5
Employer contributions	**14.0**	8.4		
Participant contributions	**0.6**	0.7		
Acquisition		170.6		
Effect of currency rates	**2.6**	0.7		
Benefits paid	**(194.6)**	(186.9)	**(0.9)**	(5.2)
Fair value of plan assets at end of year	**$ 2,220.0**	$ 2,232.7	**$ 6.3**	$ 8.8
Amounts recognized in the balance sheet:				
Current liabilities	**(10.9)**	(8.7)	**(72.8)**	(71.7)
Noncurrent liabilities	**(721.1)**	(508.9)	**(495.2)**	(488.1)
Total amount recognized	**$ (732.0)**	$ (517.6)	**$ (568.0)**	$ (559.8)

Changes to accumulated other comprehensive loss related to pension and other postretirement benefit plans in 2012 and 2011 were as follows:

	Pension Benefits		Other Postretirement Benefits	
(in millions)	**2012**	2011	**2012**	2011
Beginning of year accumulated other comprehensive loss	**$ (1,343.3)**	$ (969.8)	**$ (158.6)**	$ (90.0)
Amortization of net actuarial loss	**105.2**	71.3	**14.6**	9.9
Amortization of prior service cost (credit)	**6.4**	11.3	**(18.2)**	(18.3)
Remeasurements	**(243.0)**	(456.1)	**(29.7)**	(60.2)
End of year accumulated other comprehensive loss	**$ (1,474.7)**	$ (1,343.3)	**$ (191.9)**	$ (158.6)
Net change in accumulated other comprehensive loss	**$ (131.4)**	$ (373.5)	**$ (33.3)**	$ (68.6)

Amounts included in accumulated other comprehensive loss at December 31, 2012 and 2011 were as follows:

(in millions)	Pension Benefits 2012	Pension Benefits 2011	Other Postretirement Benefits 2012	Other Postretirement Benefits 2011
Prior service (cost) credit	**$ (10.7)**	$ (17.2)	**$ 9.5**	$ 27.7
Net actuarial loss	**(1,464.0)**	(1,326.1)	**(201.4)**	(186.3)
Accumulated other comprehensive loss	**(1,474.7)**	(1,343.3)	**(191.9)**	(158.6)
Deferred tax effect	**562.7**	508.7	**73.9**	60.6
Accumulated other comprehensive loss, net of tax	**$ (912.0)**	$ (834.6)	**$ (118.0)**	$ (98.0)

Table of Contents

Retirement benefit expense for defined benefit plans in 2013 is estimated to be approximately $130 million, comprised of $106 million for pension expense and $24 million of expense for other postretirement benefits. Amounts in accumulated other comprehensive income (loss) that are expected to be recognized as components of net periodic benefit cost in 2013 are:

(in millions)	Pension Benefits	Other Postretirement Benefits	Total
Amortization of prior service cost (credit)	$ 3.0	$ (18.2)	$ (15.2)
Amortization of net actuarial loss	116.9	17.2	134.1
Amortization of accumulated other comprehensive (income) loss	$ 119.9	$ (1.0)	$ 118.9

The accumulated benefit obligation for all defined benefit pension plans was $2,865.4 million and $2,677.2 million at December 31, 2012 and 2011, respectively. Additional information for pension plans with accumulated benefit obligations in excess of plan assets:

	Pension Benefits	
(in millions)	**2012**	2011
Projected benefit obligation	**$ 2,952.0**	$ 2,750.3
Accumulated benefit obligation	**2,865.4**	2,677.2
Fair value of plan assets	**2,220.0**	2,232.7

Based upon current regulations and actuarial studies, the Company does not expect to be required to make cash contributions to its U.S. qualified defined benefit pension plan (U.S. Plan) for 2013. However, the Company may elect, depending upon the investment performance of the pension plan assets and other factors, to make voluntary cash contributions to this pension plan in the future. For 2013, the Company expects to fund benefits of approximately $11 million for its U.S. nonqualified benefit pension plans and its U.K. defined benefit plan.

The following table summarizes expected benefit payments from the Company s various pension and other postretirement benefit defined benefit plans through 2022, and also includes estimated Medicare Part D subsidies projected to be received during this period based on currently available information.

(in millions)	**Pension Benefits**	**Other Postretirement Benefits**	**Medicare Part D Subsidy**
2013	$ 190.1	$ 74.9	$ 1.5
2014	190.8	54.9	1.5
2015	191.3	53.4	1.5
2016	191.9	49.9	1.5
2017	191.9	47.5	1.5
2018 - 2022	956.7	197.3	6.5

The annual assumed rate of increase in the per capita cost of covered benefits (the health care cost trend rate) for health care plans was 8.7% in 2013 and is assumed to gradually decrease to 5.0% in the year 2028 and remain at that level thereafter. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

(in millions)	One Percentage Point	One Percentage Point

	Increase	Decrease
Effect on total of service and interest cost components for the year ended December 31, 2012	$ 0.7	$ (0.6)
Effect on other postretirement benefit obligation at December 31, 2012	$ 14.1	$ (12.3)

The plan assets for the U.S. Plan represent approximately 97% of total pension plan assets at December 31, 2012. The U.S. Plan invests in a diversified portfolio consisting of an array of asset classes that attempts to maximize returns while minimizing volatility. These asset classes include U.S. domestic equities, developed market equities, emerging market equities, private equity, global high quality and high yield fixed income, and real estate. The Company continually monitors the investment results of these asset classes and its fund managers, and explores other potential asset classes for possible future investment.

Table of Contents

U.S. Plan assets at December 31, 2012 and 2011 included 3.0 million shares of ATI common stock with a fair value of $89.7 million and $141.2 million, respectively. Dividends of $2.1 million were received by the U.S. Plan in 2012 and 2011 on the ATI common stock held by this plan.

The fair values of the Company s pension plan assets at December 31, 2012 by asset category and by the level of inputs used to determine fair value, were as follows:

(in millions) **Asset category**	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities:				
ATI common stock	$ 89.7	$ 89.7	$	$
Other U.S. equities (a)	601.1	198.2	402.9	
International equities (b)	264.2	27.0	237.2	
Fixed income and cash equivalents (c)	911.3	224.5	685.4	1.4
Private equity	85.5			85.5
Hedge funds	148.9			148.9
Real estate and other	119.3	4.8	10.1	104.4
Total assets	**$ 2,220.0**	**$ 544.2**	**$ 1,335.6**	**$ 340.2**

(a) Includes investments in comingled funds that invest in U.S. equity securities, comprised of approximately 90% large-cap U.S. companies and 10% small-cap U.S. companies.

(b) Includes investments in comingled funds that invest in non-U.S. equity securities, comprised of approximately 80% developed countries and 20% emerging market economies.

(c) Fixed income investments are comprised of actively managed investments which include U.S. government and U.S. government agency securities, corporate bonds, mortgage-backed securities and other fixed income securities. To mitigate risk, investment managers have limitations regarding the amount of investment in particular securities and the credit quality of such investments.

The fair values of the Company s pension plan assets at December 31, 2011 by asset category and by the level of inputs used to determine fair value, were as follows:

(in millions) **Asset category**	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities:				
ATI common stock	$ 141.2	$ 141.2	$	$
Other U.S. equities (a)	513.7	168.2	345.5	
International equities (b)	222.9	21.6	201.3	
Fixed income and cash equivalents (c)	1,050.5	221.2	827.4	1.9
Private equity	80.6			80.6
Hedge funds	121.9			121.9
Real estate and other	101.9	4.6	7.9	89.4
Total assets	**$ 2,232.7**	**$ 556.8**	**$ 1,382.1**	**$ 293.8**

(a) Includes investments in comingled funds that invest in U.S. equity securities, comprised of approximately 90% large-cap U.S. companies and 10% small-cap U.S. companies.

(b) Includes investments in comingled funds that invest in non-U.S. equity securities, comprised of approximately 80% developed countries and 20% emerging market economies.

(c) Fixed income investments are comprised of actively managed investments which include U.S. government and U.S. government agency securities, corporate bonds, mortgage-backed securities and other fixed income securities. To mitigate risk, investment managers have limitations regarding the amount of investment in particular securities and the credit quality of such investments.

Changes in the fair value of Level 3 pension plan assets for the year ended December 31, 2012 were as follows:

(in millions)	January 1, 2012 Balance	Net Realized and Unrealized Gains (Losses)	Net Purchases, Issuances and Settlements	Net Transfers Into (Out Of) Level 3	December 31, 2012 Balance
Fixed income and cash equivalents	$ 1.9	$ 0.2	$ (0.7)	$	$ 1.4
Private equity	82.4	0.6	2.5		85.5
Hedge funds	121.9	7.1	19.9		148.9
Real estate and other	87.6	8.8	8.0		104.4
Total	**$ 293.8**	**$ 16.7**	**$ 29.7**	**$**	**$ 340.2**

A financial instrument s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Investments in U.S. and International equities, and Fixed Income are predominantly held in common/collective trust funds and registered investment companies. These investments are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. In certain cases NAV is a quoted price in a market that is not active, and valuation is based on quoted prices for similar assets and liabilities in active markets, and these investments are classified within level 2 of the valuation hierarchy. Investments that are not actively traded, such as non-publicly traded real estate funds, are classified within level 3 of the valuation hierarchy, as the NAV is based on significant unobservable information.

Hedge fund investments are made either (1) as a limited partner in a portfolio of underlying hedge funds managed by a general partner or (2) through commingled institutional funds (CIFs) that in-turn invest in various portfolios of hedge funds whereby the allocation of the Plan s investments to each CIF is managed by a third party Investment Manager. All hedge fund investments are classified within level 3 of the valuation hierarchy, as the valuations are substantially based on unobservable information.

Private equity investments include both Direct Funds and Fund-of-Funds. All private equity investments are classified as Level 3 in the valuation hierarchy, as the valuations are substantially based upon unobservable information. Direct Funds are investments in Limited Partnership (LP) interests. Fund-of-Funds are investments in private equity funds that invest in other private equity funds or LPs.

For certain investments classified as Level 3 which have formal financial valuations reported on a one-quarter lag, fair value is determined utilizing net asset values adjusted for subsequent cash flows, estimated financial performance and other significant events.

For 2013, the expected long-term rate of returns on defined benefit pension assets will be 8.25%. In developing the expected long-term rate of return assumptions, the Company evaluated input from its third party pension plan asset managers and actuaries, including reviews of their asset class return expectations and long-term inflation assumptions. The expected long-term rate of return is based on expected asset allocations within ranges for each investment category, and includes consideration of both historical and projected annual compound returns, weighted on a 65%/35% basis, respectively. The Company s actual returns on pension assets for the last five years have been 8.0% for 2012, 0.3% for 2011, 12.2% for 2010, 16.4% for 2009, and (25.3)% for 2008.

The target asset allocations for pension plans for 2013, by major investment category, are:

Table of Contents

Asset category	Target asset allocation range
Equity securities:	
U. S. equities	18% - 38%
International equities	7% - 17%
Fixed income	35% - 45%
Private equity	0% - 10%
Hedge funds	0% - 10%
Real estate and other	0% - 10%
Cash and cash equivalents	0% - 10%

At December 31, 2012, other postretirement benefit plan assets of $6 million are primarily invested in private equity investments, which are classified as Level 3 in the valuation hierarchy, as the valuations are substantially based upon unobservable information. For 2013, the expected long-term rate of returns on these other postretirement benefit assets will be 8.3%.

Pension costs for defined contribution plans were $23.8 million in 2012, $21.6 million in 2011, and $18.8 million in 2010. Company contributions to these defined contribution plans are funded with cash.

Labor agreements with United Steelworkers represented employees require the Company to make contributions to VEBA trusts based upon the attainment of a certain level of profitability. The Company expects to contribute approximately $27 million of contributions, tied to profitability levels, to these VEBA trusts in 2013.

The Company contributes to several multiemployer defined benefit pension plans under collective bargaining agreements that cover certain of its union-represented employees. The risks of participating in such plans are different from the risks of single-employer plans, in the following respects:

a) Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b) If a participating employer ceases to contribute to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c) If the Company ceases to have an obligation to contribute to the multiemployer plan in which it had been a contributing employer, it may be required to pay to the plan an amount based on the underfunded status of the plan and on the history of the Company s participation in the plan prior to the cessation of its obligation to contribute. The amount that an employer that has ceased to have an obligation to contribute to a multiemployer plan is required to pay to the plan is referred to as a withdrawal liability.

The Company s participation in multiemployer plans for the years ended December 31, 2012, 2011 and 2010 is reported in the following table. Participation with regard to multiemployer plans involving ATI Ladish is included from the May 9, 2011 acquisition date.

		Pension Protection Act Zone Status (1)		FIP / RP Status	in millions Company Contributions				Expiration Dates of Collective
Pension Fund	EIN / Pension Plan Number	2012	2011	Pending / Implemented (2)	**2012**	2011	2010	Surcharge Imposed (3)	Bargaining Agreements
Steelworkers Western Independent Shops Pension Plan	90-0169564 / 001	Red	Red	Yes	**$ 1.3**	$ 1.2	$ 0.9	No	6/30/2015
Boilermakers-Blacksmiths National Pension Trust	48-6168020 / 001	Yellow	Yellow	Yes	**2.4**	1.2		No	10/30/2018

IAM National Pension Fund	51-6031295 / 002	Green	Green	N/A	**1.9**	1.1		No	Various between 2014-2019 (4)
Total contributions					**$ 5.6**	$ 3.5	$ 0.9		

(1) The most recent Pension Protection Act Zone Status available for ATI s fiscal years 2012 and 2011 is for plan years ending in calendar years 2011 and 2010, respectively. The zone status is based on information provided to ATI and other participating employers by each plan and is certified by the plan s actuary. A plan in the red zone had been determined to be in critical status , based on criteria established by the Code, and is generally less than 65% funded. A plan in the yellow zone has been determined to be in endangered status , based on criteria established under the Code, and is generally less than 80% funded. A plan in the green zone has been determined to be neither in critical status nor in endangered status , and is generally at least 80% funded.

63

(2) The FIP / RP status Pending / Implemented column indicates whether a Funding Improvement Plan, as required under the Code by plans in the yellow zone, or a Rehabilitation Plan, as required under the Code to be adopted by plans in the red zone, is pending or has been implemented as of the end of the plan year that ended in 2012.

(3) The Surcharge Imposed column indicates whether ATI s contribution rate for 2012 included an amount in addition to the contribution rate specified in the applicable collective bargaining agreement, as imposed by a plan in critical status , in accordance with the requirements of the Code.

(4) The Company is party to six separate bargaining agreements that require contributions to this plan. Expiration dates of these collective bargaining agreements range between July 14, 2014 and July 14, 2019.

The Company s contributions to the Steelworkers Western Independent Shops Pension Plan exceeds 5% of this plan s total contributions for the most recent fiscal year.

Note 10. Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss), net of tax, at December 31, 2012 and 2011 were as follows:

(in millions)	**2012**	2011
Attributable to ATI		
Pension plans and other postretirement benefits	**$ (1,030.0)**	$ (932.6)
Foreign currency translation	**3.4**	(9.0)
Equity securities	**(0.1)**	(0.1)
Derivative financial instruments	**(2.7)**	0.1
Accumulated other comprehensive income (loss) attributable to ATI	**$ (1,029.4)**	$ (941.6)
Attributable to noncontrolling interests		
Foreign currency translation	**$ 23.7**	$ 21.8
Accumulated other comprehensive income attributable to noncontrolling interests	**$ 23.7**	$ 21.8

Other comprehensive income (loss) amounts are net of applicable income tax expense (benefit) for each year presented. Foreign currency translation adjustments, including those pertaining to noncontrolling interests, are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries.

Note 11. Stockholders Equity

Preferred Stock

Authorized preferred stock may be issued in one or more series, with designations, powers and preferences as shall be designated by the Board of Directors. At December 31, 2012, there were no shares of preferred stock issued.

Share-based Compensation

The Company sponsors three principal share-based incentive compensation programs. During 2007, the Company adopted the Allegheny Technologies Incorporated 2007 Incentive Plan (the Incentive Plan), which was amended and restated in 2010 and further amended in 2012. Awards earned under share-based incentive compensation programs are generally paid with shares held in treasury, if sufficient treasury shares are held, and any additional required share payments are made with newly issued shares. At December 31, 2012, approximately 3.1 million shares of common stock were available for future awards under the Incentive Plan. The general terms of each arrangement granted under the Incentive Plan, and predecessor plans, the method of estimating fair value for each arrangement, and award activity is reported below.

Stock option awards: The Company ceased granting stock options to employees in 2003 and to non-employee directors in 2006. As of December 31, 2012, there were no unvested stock option awards.

64

Table of Contents

Stock option transactions under the Company s plans for the years ended December 31, 2012, 2011, and 2010 are summarized as follows:

	2012		2011		2010	
(shares in thousands)	**Number of shares**	**Weighted Average Exercise Price**	Number of shares	Weighted Average Exercise Price	Number of shares	Weighted Average Exercise Price
Outstanding, beginning of year	**427**	**$ 7.51**	600	$ 8.11	701	$ 9.01
Granted						
Exercised	**(319)**	**6.89**	(171)	9.53	(98)	14.21
Cancelled	**(1)**	**9.66**	(2)	16.52	(3)	18.09
Outstanding at end of year	**107**	**$ 9.33**	427	$ 7.51	600	$ 8.11
Exercisable at end of year	**107**	**$ 9.33**	427	$ 7.51	600	$ 8.11

Options outstanding at December 31, 2012 were as follows:

(shares in thousands, life in years)	**Options Outstanding and Exercisable**		
Range of Exercise Prices	**Number of Shares**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**
$3.63 - $7.00	92	0.1	$ 4.02
7.01 - 10.00	1	1.4	7.07
10.01 - 15.00	4	1.4	10.83
15.01 - 30.00	3	2.3	24.38
30.01 - 72.46	7	3.3	72.46
	107	0.4	$ 9.33

The aggregate intrinsic value of options outstanding and exercisable as of December 31, 2012 was $2.3 million. The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company s closing stock price on the last trading day of the fourth quarter of fiscal 2012 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2012.

Nonvested stock awards: Awards of nonvested stock are granted to employees, with either performance and/or service conditions. Awards of nonvested stock are also granted to non-employee directors, with service conditions. For nonvested stock awarded in 2008, nonvested shares participate in cash dividends during the restricted period. For nonvested stock awarded in 2012, 2011 and 2010, dividend equivalents, whether in stock or cash form, are not paid until the underlying award vests.

The fair value of nonvested stock awards is measured based on the stock price at the grant date, adjusted for non-participating dividends, as applicable, based on the current dividend rate. For nonvested stock awards to employees in 2012, 2011, and 2010, under the Company s Performance/Restricted Stock Program (PRSP), one-half of the nonvested stock (performance shares) vests only on the attainment of an income target, measured over a cumulative three-year period. The remaining nonvested stock awarded to employees vests over a service period of five years, with accelerated vesting to three years if the performance shares vesting criterion is attained. Expense for each of these awards is recognized based on estimates of attaining the performance criterion, including estimated forfeitures. As of December 31, 2012, the income statement metrics for the 2012 and 2011 awards were expected to be attained for the performance shares, and expense for both portions of the awards was recognized on a straight line basis based on a three-year vesting assumption. The income statement metric for the 2010 PRSP nonvested stock award comprising 321,920 shares was met as of December 31, 2012. At December 31, 2010, the three-year performance metric for the 2008 PRSP nonvested stock award was not met, and 66,483 shares were forfeited. Expense for the remaining portion of 2008 PRSP award is being recognized over the five-year service vesting period through February 2013.

Compensation expense related to all nonvested stock awards was $15.5 million in 2012, $21.0 million in 2011, and $12.9 million in 2010. In 2011, the retirements of certain senior executives resulted in the accelerated recognition of $3.4 million of nonvested stock compensation expense. The underlying shares for awards to employees who meet the retirement criteria retain their restrictions for performance or service vesting conditions for the award periods until it is determined whether such conditions are met. Approximately $14.8 million of unrecognized fair value compensation expense relating to nonvested stock awards is expected to be recognized through 2014 based on estimates of attaining performance vesting criteria, including estimated forfeitures. Activity under the Company s nonvested stock awards for the years ended December 31, 2012, 2011 and 2010 was as follows:

Table of Contents

(Shares in thousands, $ in millions)	**2012**		2011		2010	
	Number of shares	**Weighted Average Grant Date Fair Value**	Number of shares	Weighted Average Grant Date Fair Value	Number of shares	Weighted Average Grant Date Fair Value
Nonvested, beginning of year	**677**	**$ 36.4**	976	$ 33.3	740	$ 26.9
Granted	**394**	**16.4**	319	19.5	400	17.0
Vested	**(343)**	**(14.1)**	(616)	(16.3)	(78)	(4.3)
Forfeited	**(1)**	**(0.1)**	(2)	(0.1)	(86)	(6.3)
Nonvested, end of year	**727**	**$ 38.6**	677	$ 36.4	976	$ 33.3

Total shareholder return incentive compensation program (TSRP) awards: Award opportunities under the TSRP are determined at a target number of shares, and awards pay out based on the measured return of the Company s stock price and dividend performance at the end of three-year periods as compared to the stock price and dividend performance of a group of industry peers. In 2012, the Company established a 2012-2014 TSRP, with 230,113 shares as the target award level. The actual number of shares awarded at the end of the performance measurement period may range from a minimum of zero to a maximum of two times target for the 2012-2014 award, and to a maximum of three times target for the 2010-2012 and 2011-2013 awards. Fair values for the TSRP awards were estimated using Monte Carlo simulations of stock price correlation, projected dividend yields and other variables over three-year time horizons matching the TSRP performance measurement periods. Compensation expense was $21.3 million in 2012, $26.5 million in 2011, and $14.9 million in 2010 for the fair value of TSRP awards. The above amounts include recognition of $1.5 million in compensation expense for 2012 and $5.0 million in compensation expense for 2011, associated with certain former senior executives who retained full participation in the shares awarded to them for the performance measurement period of the 2010-2012 TSRP award due to continuing consulting arrangements with the Company.

The estimated fair value of each TSRP award, the projected shares to be awarded and future compensation expense to be recognized for TSRP awards, including estimated forfeitures, was as follows:

(Shares in thousands, $ in millions)

TSRP Award Performance Period	TSRP Award Fair Value	December 31, 2012 Unrecognized Compensation Expense	Minimum Shares	Target Shares	Maximum Shares
2010 - 2012	$ 26.5			232	696
2011 - 2013	$ 20.9	7.0		164	492
2012 - 2014	$ 10.0	6.7		212	423
Total		**$ 13.7**		**608**	**1,611**

An award was earned for the 2010-2012 TSRP performance period based on the Company s stock price and dividend performance for the three-year period ended December 31, 2012 relative to the peer group, which resulted in the issuance of 177,250 shares of stock to participants in the 2013 first quarter.

Undistributed Earnings of Investees

Stockholders equity includes undistributed earnings of investees accounted for under the equity method of accounting of approximately $36 million at December 31, 2012.

Table of Contents

Note 12. Income Taxes

The income tax provision (benefit) was as follows:

(in millions)	**2012**	2011	2010
Current:			
Federal	**$ 85.3**	$ 44.8	$ (47.3)
State	**9.2**	8.1	(4.4)
Foreign	**9.2**	13.3	8.9
Total	**103.7**	66.2	(42.8)
Deferred:			
Federal	**(27.5)**	48.4	83.4
State	**0.1**	2.4	6.0
Foreign	**(0.1)**	(0.7)	0.4
Total	**(27.5)**	50.1	89.8
Income tax provision	**$ 76.2**	$ 116.3	$ 47.0

The following is a reconciliation of income taxes computed at the statutory U.S. Federal income tax rate to the actual effective income tax provision:

	Income Tax Provision		
(in millions)	**2012**	2011	2010
Taxes computed at the federal rate	**$ 85.4**	$ 118.8	$ 44.0
State and local income taxes, net of federal tax benefit	**5.2**	7.7	5.5
Foreign earnings taxed at different rate	**(10.0)**	(7.6)	(4.8)
Manufacturing deduction	**(7.1)**	(3.3)	
Tax reserve adjustments	**(0.4)**	(1.7)	(6.2)
Adjustment to prior years taxes	**(0.5)**	(0.7)	(1.9)
Tax law changes			5.8
Valuation allowance	**2.2**	1.2	1.6
Other	**1.4**	1.9	3.0
Income tax provision	**$ 76.2**	$ 116.3	$ 47.0

In 2010, tax law changes included $5.3 million associated with the Patient Protection and Affordable Care Act. Under this legislation, the tax advantage of the subsidy to encourage companies to provide retiree prescription drug coverage was eliminated. Although the elimination of this tax advantage under the new legislation does not take effect until 2013, the Company was required by U.S. generally accepted accounting principles to recognize the full accounting impact in the period in which the Act became law. Since future anticipated retiree health care liabilities and related tax subsidies were already reflected in ATI s financial statements, the change in law resulted in a reduction of the value of the Company s deferred tax asset related to the subsidy. Tax law changes due to the Small Business Jobs and Credit Act, which allows businesses of all sizes to accelerate depreciation on certain property placed into service in 2010, resulted in a taxable loss for U.S. Federal purposes in 2010, which increased the Company s ability to recover prior years cash taxes paid, but eliminated the current year tax benefit of the manufacturing deduction.

In general, the Company is responsible for filing consolidated U.S. Federal, foreign and combined, unitary or separate state income tax returns. The Company is responsible for paying the taxes relating to such returns, including any subsequent adjustments resulting from the redetermination of such tax liability by the applicable taxing authorities. No provision has been made for U.S. Federal, state or additional foreign taxes related to approximately $208 million of undistributed earnings of foreign subsidiaries which have been permanently re-invested. It is not practical to determine the deferred tax liability on these earnings.

Income before income taxes for the Company s U.S. and non-U.S. operations was as follows:

67

Table of Contents

(in millions)	**2012**	2011	2010
U.S.	**$ 188.5**	$ 280.5	$ 87.1
Non-U.S.	**55.5**	58.9	38.6
Income before income taxes	**$ 244.0**	$ 339.4	$ 125.7

Income taxes paid and amounts received as refunds were as follows:

(in millions)	**2012**	2011	2010
Income taxes paid	**$ 101.7**	$ 49.2	$ 28.8
Income tax refunds received	**(15.8)**	(41.0)	(20.9)
Income taxes paid, net	**$ 85.9**	$ 8.2	$ 7.9

ATI s income tax payments have benefited over the last several years from provisions under the U.S. tax code allowing companies to immediately deduct a significant portion of the cost of new capital investments placed into service.

Deferred income taxes result from temporary differences in the recognition of income and expense for financial and income tax reporting purposes, and differences between the fair value of assets acquired in business combinations accounted for as purchases for financial reporting purposes and their corresponding tax bases. Deferred income taxes represent future tax benefits or costs to be recognized when those temporary differences reverse. The categories of assets and liabilities that have resulted in differences in the timing of the recognition of income and expense at December 31, 2012 and 2011 were as follows:

(in millions)	**2012**	2011
Deferred income tax assets		
Pensions	**$ 247.1**	$ 185.2
Postretirement benefits other than pensions	**210.4**	184.5
State net operating loss tax carryovers	**35.9**	33.3
Federal and state tax credits	**39.9**	31.3
Deferred compensation and other benefit plans	**28.1**	33.7
Self insurance reserves	**10.4**	10.2
Other items	**64.3**	78.4
Gross deferred income tax assets	**636.1**	556.6
Valuation allowance for deferred tax assets	**(24.8)**	(22.6)
Total deferred income tax assets	**611.3**	534.0
Deferred income tax liabilities		
Bases of property, plant and equipment	**400.2**	398.7
Inventory valuation	**77.1**	83.6
Bases of amortizable intangible assets	**70.5**	70.4
Other items	**16.0**	14.6
Total deferred tax liabilities	**563.8**	567.3
Net deferred tax asset (liability)	**$ 47.5**	$ (33.3)

The Company had $24.8 million and $22.6 million in deferred tax asset valuation allowances at December 31, 2012 and 2011, respectively, related to state deferred tax assets. The valuation allowance at December 31, 2012 includes $13.3 million for state net operating loss tax carryforwards, $9.6 million for state tax credits and $1.9 million for state temporary differences, since the Company has concluded, based on current state tax laws, that it is more likely than not that these tax benefits would not be realized. For these state net operating loss tax carryforwards, expiration will generally occur in 20 years and utilization of the tax benefit is limited to $3 million per year or 20% of apportioned income, whichever is greater.

The changes in the liability for unrecognized income tax benefits for the years ended December 31, 2012, 2011 and 2010 were as follows:

(in millions)	**2012**	2011	2010
Balance at beginning of year	**$ 29.7**	$ 17.1	$ 37.3
Increases in prior period tax positions	**0.2**	1.3	1.5
Decreases in prior period tax positions	**(0.3)**	(1.3)	(15.8)
Increases in current period tax positions	**1.2**	0.1	0.3
Uncertain tax positions assumed in Ladish acquisition		14.5	
Expiration of the statute of limitations	**(2.0)**	(1.8)	
Settlements	**(0.4)**	(0.7)	(1.1)
Interest and penalties, net	**0.8**	0.5	(5.1)
Balance at end of year	**$ 29.2**	$ 29.7	$ 17.1

At December 31, 2012, interest and penalties included in the liability for unrecognized tax benefits were $6.5 million. For the year ended December 31, 2010, as a result of the settlements of uncertain income tax positions, the liability for unrecognized income tax benefits was reduced by $18.5 million, including $5.7 million of interest and penalties. The settlements increased deferred tax liabilities by $12.8 million, and the interest and penalty component reduced the current year s income tax provision.

Including tax positions for which the Company determined that the tax position would not meet the more-likely-than-not recognition threshold upon examination by the tax authorities based upon the technical merits of the position, the total estimated unrecognized tax benefit that, if recognized, would affect our effective tax rate was approximately $23 million. At this time, the Company believes that it is reasonably possible that approximately $1 million of the estimated unrecognized tax benefits as of December 31, 2012 will be recognized within the next twelve months based on the expiration of statutory review periods.

The Company, and/or one of its subsidiaries, files income tax returns in the U.S. Federal jurisdiction and in various state and foreign jurisdictions. A summary of tax years that remain subject to examination, by major tax jurisdiction, is as follows:

Jurisdiction	Earliest Year Open to Examination
U.S. Federal	2012
States:	
Alabama	2011
Illinois	2009
North Carolina	2007
Oregon	2009
Pennsylvania	2009
Foreign:	
China	2008
Germany	2007
United Kingdom	2011

Note 13. Business Segments

The Company operates in three business segments: High Performance Metals, Flat-Rolled Products and Engineered Products. The High Performance Metals segment produces, converts and distributes a wide range of high performance alloys, including titanium and titanium-based alloys, nickel- and cobalt-based alloys and superalloys, zirconium and related alloys including hafnium and niobium, advanced powder alloys, and other specialty metals, in long product forms such as ingot, billet, bar, shapes and rectangles, rod, wire, and seamless tubes, plus precision forgings and castings, and machined parts. The operating units in this segment include ATI Allvac, ATI Allvac Ltd (U.K.), ATI Wah Chang, ATI Ladish, and ATI Powder Metals.

The Flat-Rolled Products segment produces, converts and distributes stainless steel, nickel-based alloys, specialty alloys, and titanium and titanium-based alloys in a variety of product forms, including plate, sheet, engineered strip and Precision Rolled Strip® products as well as grain-oriented electrical steel sheet. The operating units in this segment include ATI Allegheny Ludlum, STAL, in which the Company has a 60% ownership interest, and ATI s 50% interest in Uniti, which is accounted for under the equity method. Sales to Uniti, which are included in ATI s consolidated statements of income, were $77.1 million in 2012, $149.1 million in 2011, and $98.3 million in 2010. ATI s share of Uniti s income was $4.9 million in 2012, $7.4 million in 2011, and $2.5 million in 2010, which is included in the Flat-Rolled Products segment s operating profit, and within cost of sales in the consolidated statements of income. The remaining 50% interest in Uniti is held by VSMPO, a

Russian producer of titanium, aluminum, and specialty steel products.

Table of Contents

The Engineered Products segment s principal business produces tungsten powder, tungsten heavy alloys, tungsten carbide materials and carbide cutting tools. This segment also produces carbon alloy steel impression die forgings and large grey and ductile iron castings, and provides specialty metals fabrication and precision metals processing services. The operating units in this segment are ATI Tungsten Materials, ATI Portland Forge, ATI Casting Service, ATI Fabricated Components and ATI Precision Finishing.

Intersegment sales are generally recorded at full cost or market. Common services are allocated on the basis of estimated utilization.

(in millions)	**2012**	2011	2010
Total sales:			
High Performance Metals	**$ 2,274.7**	$ 2,061.0	$ 1,410.5
Flat-Rolled Products	**2,378.8**	2,759.0	2,360.2
Engineered Products	**524.4**	545.4	411.7
Total sales	**5,177.9**	5,365.4	4,182.4
Intersegment sales:			
High Performance Metals	**84.1**	105.1	73.0
Flat-Rolled Products	**29.6**	33.0	21.7
Engineered Products	**32.7**	44.3	39.9
Total intersegment sales	**146.4**	182.4	134.6
Sales to external customers:			
High Performance Metals	**2,190.6**	1,955.9	1,337.5
Flat-Rolled Products	**2,349.2**	2,726.0	2,338.5
Engineered Products	**491.7**	501.1	371.8
Total sales to external customers	**$ 5,031.5**	$ 5,183.0	$ 4,047.8

Total direct international sales were $1,802.8 million in 2012, $1,814.1 million in 2011, and $1,283.8 million in 2010. Of these amounts, sales by operations in the United States to customers in other countries were $1,302.2 million in 2012, $1,356.3 million in 2011, and $950.4 million in 2010.

(in millions)	**2012**	2011	2010
Operating profit:			
High Performance Metals	**$ 371.6**	$ 364.5	$ 257.8
Flat-Rolled Products	**126.9**	213.4	85.9
Engineered Products	**39.4**	34.1	12.8
Total operating profit	**537.9**	612.0	356.5
Corporate expenses	**(68.4)**	(92.5)	(64.1)
Interest expense, net	**(71.6)**	(92.3)	(62.7)
Closed company and other expenses	**(31.5)**	(9.9)	(13.9)
Retirement benefit expense	**(122.4)**	(77.9)	(90.1)
Income before income taxes	**$ 244.0**	$ 339.4	$ 125.7

Business segment operating profit excludes costs for restructuring charges, retirement benefit income or expense, corporate expenses, interest expenses, debt extinguishment costs, and costs associated with closed operations. These costs are excluded for segment reporting to provide a profit measure based on what management considers to be controllable costs at the segment level. Retirement benefit expense includes both defined benefit pension expense and other postretirement benefit expenses. Costs associated with multiemployer pension plans are included in segment operating profit, and costs associated with defined contribution pension plans are included in segment operating profit or corporate expenses, as applicable.

Closed company and other expenses, which were $31.5 million in 2012, $9.9 million in 2011 and $13.9 million in 2010, includes charges incurred in connection with closed operations, pre-tax gains and losses on the sale of surplus real estate, non-strategic investments, and other assets, and other non-operating income or expense. In 2012, the Company recognized a $13.0 million charge to write down the value of the long-lived assets with the closing of the Alpena, MI iron casting facility, which was formerly part of the operations of the Engineered Products segment. In the fourth quarter of 2012, the Company decided to close the facility and redeploy certain equipment due to poor business conditions and following an evaluation of alternative business uses. As a result, it was determined that the net book value of the long-lived assets was in excess of estimated fair market value. This charge is included within cost of sales in the consolidated statements of income.

Table of Contents

Other items are primarily presented in selling and administrative expenses in the consolidated statements of income. In 2012, these other items included $4.3 million for environmental costs, $4.0 million for real estate costs at closed companies, and $10.2 million for other expenses including legal matters and foreign exchange losses. In 2011, the Company recorded $9.9 million in other charges primarily related to closed companies, including $4.9 million for environmental costs and $5.0 million for other expenses including legal matters and foreign exchange losses. In 2010, the Company recorded $13.9 million in other charges primarily related to closed companies, including $2.1 million for environmental costs, $2.8 million for real estate costs at closed companies, and $9.0 million for other expenses including legal matters and foreign exchange losses.

Certain additional information regarding the Company s business segments is presented below:

(in millions)	**2012**	2011	2010
Depreciation and amortization:			
High Performance Metals	**$ 128.5**	$ 110.4	$ 77.7
Flat-Rolled Products	**48.2**	48.3	48.1
Engineered Products	**15.6**	14.5	14.3
Corporate	**1.7**	1.2	1.4
Total depreciation and amortization	**194.0**	174.4	141.5
Capital expenditures:			
High Performance Metals	**58.3**	83.5	113.7
Flat-Rolled Products	**310.5**	175.0	95.8
Engineered Products	**11.9**	16.0	9.1
Corporate	**1.3**	3.7	0.5
Total capital expenditures	**382.0**	278.2	219.1
Identifiable assets:			
High Performance Metals	**3,676.7**	3,659.8	2,283.4
Flat-Rolled Products	**1,823.6**	1,577.6	1,362.0
Engineered Products	**291.4**	315.2	295.5
Corporate:			
Prepaid pension cost			8.7
Deferred taxes	**71.5**		
Cash and cash equivalents and other	**384.6**	494.3	544.0
Total assets	**$ 6,247.8**	$ 6,046.9	$ 4,493.6

Geographic information for external sales based on country of destination, and assets, are as follows:

($ in millions)	**2012**	**Percent of total**	2011	Percent of total	2010	Percent of total
External sales:						
United States	**$ 3,228.7**	**64%**	$ 3,368.9	65%	$ 2,764.0	68%
United Kingdom	**325.5**	**6%**	257.3	5%	118.1	3%
Germany	**266.2**	**5%**	258.5	5%	183.7	5%
China	**259.7**	**5%**	265.5	5%	234.5	6%
France	**166.9**	**3%**	180.2	3%	94.3	2%
Canada	**141.4**	**3%**	131.8	3%	109.0	3%
Italy	**140.8**	**3%**	142.6	3%	175.7	4%
Japan	**95.0**	**2%**	169.8	3%	28.2	1%
Mexico	**52.6**	**1%**	64.5	1%	56.6	1%

Other	**354.7**	**8%**	343.9	7%	283.7	7%
Total External Sales	**$ 5,031.5**	**100%**	$ 5,183.0	100%	$ 4,047.8	100%

Table of Contents

($ in millions)	2012	Percent of total	2011	Percent of total	2010	Percent of total
Total assets:						
United States	**$ 5,505.0**	**88%**	$ 5,271.7	87%	$ 3,853.9	86%
China	**276.2**	**4%**	266.6	5%	250.4	6%
United Kingdom	**239.2**	**4%**	233.0	4%	200.4	4%
Luxembourg (a)	**48.3**	**1%**	86.3	1%	97.3	2%
Other	**179.1**	**3%**	189.3	3%	91.6	2%
Total Assets	**$ 6,247.8**	**100%**	$ 6,046.9	100%	$ 4,493.6	100%

(a) Comprises assets held by the Company s European Treasury Center operation.

Note 14. Per Share Information

The following table sets forth the computation of basic and diluted net income per common share:

(in millions, except per share amounts)

Years ended December 31,	2012	2011	2010
Numerator:			
Numerator for basic net income per common share -			
Net income attributable to ATI	**$ 158.4**	$ 214.3	$ 70.7
Effect of dilutive securities:			
4.25% Convertible Senior Notes due 2014	**8.5**	9.9	
Numerator for diluted net income per common share -			
Net income attributable to ATI after assumed conversions	**$ 166.9**	$ 224.2	$ 70.7
Denominator:			
Denominator for basic net income per common share weighted average shares	**106.1**	102.5	97.4
Effect of dilutive securities:			
Share-based compensation	**0.9**	1.8	1.3
4.25% Convertible Senior Notes due 2014	**9.6**	9.6	
Denominator for diluted net income per common share adjusted weighted average shares and assumed conversions	**116.6**	113.9	98.7
Basic net income attributable to ATI per common share	**$ 1.49**	$ 2.09	$ 0.73
Diluted net income attributable to ATI per common share	**$ 1.43**	$ 1.97	$ 0.72

Common stock that would be issuable upon the assumed conversion of the 4.25% Convertible Senior Notes due 2014 and other option equivalents and contingently issuable shares were excluded from the computation of contingently issuable shares, and therefore, from the denominator for diluted earnings per share, if the effect of inclusion would have been anti-dilutive. Excluded shares for 2010 were 9.6 million.

Note 15. Financial Information for Subsidiary and Guarantor Parent

The payment obligations under the $150 million 6.95% Debentures due 2025 issued by Allegheny Ludlum, LLC (formerly known as Allegheny Ludlum Corporation) (the Subsidiary) are fully and unconditionally guaranteed by Allegheny Technologies Incorporated (the Guarantor Parent). In accordance with positions established by the U.S. Securities and Exchange Commission, the following financial information sets forth separately financial information with respect to the Subsidiary, the non-guarantor subsidiaries and the Guarantor Parent. The principal elimination entries eliminate investments in subsidiaries and certain intercompany balances and transactions. Investments in subsidiaries, which are eliminated in consolidation, are included in other assets on the consolidated balance sheets.

Allegheny Technologies is the plan sponsor for the U.S. qualified defined benefit pension plan (the Plan) which covers certain current and former employees of the Subsidiary and the non-guarantor subsidiaries. As a result, the balance sheets presented for the Subsidiary and the non-guarantor subsidiaries do not include any Plan assets or liabilities, or the related deferred taxes. The Plan assets, liabilities and related deferred taxes and pension income or expense are recognized by the Guarantor Parent. Management and royalty fees charged to the Subsidiary and to the non-guarantor subsidiaries by the Guarantor Parent have been excluded solely for purposes of this presentation.

Table of Contents

Cash flows related to intercompany activity between the Guarantor Parent, the Subsidiary, and the non-guarantor subsidiaries are presented as financing activities on the condensed statements of cash flows.

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Balance Sheets

December 31, 2012

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Assets:					
Cash and cash equivalents	$ 5.5	$ 13.1	$ 286.0	$	$ 304.6
Accounts receivable, net	0.4	190.1	422.8		613.3
Inventories, net		311.1	1,225.5		1,536.6
Prepaid expenses and other current assets	1.1	10.2	44.8		56.1
Total current assets	7.0	524.5	1,979.1		2,510.6
Property, plant and equipment, net	3.9	882.2	1,673.8		2,559.9
Cost in excess of net assets acquired		112.1	628.0		740.1
Deferred income taxes	71.5				71.5
Investments in subsidiaries and other assets	5,595.9	210.3	657.0	(6,097.5)	365.7
Total assets	$ 5,678.3	$ 1,729.1	$ 4,937.9	$ (6,097.5)	$ 6,247.8
Liabilities and stockholders equity:					
Accounts payable	$ 5.3	$ 262.6	$ 232.0	$	$ 499.9
Accrued liabilities	1,137.4	419.8	401.1	(1,627.8)	330.5
Deferred income taxes	24.0				24.0
Short-term debt and current portion of long-term debt	0.3	0.1	16.7		17.1
Total current liabilities	1,167.0	682.5	649.8	(1,627.8)	871.5
Long-term debt	1,253.4	350.6	59.1	(200.1)	1,463.0
Accrued postretirement benefits		198.2	297.0		495.2
Pension liabilities	651.7	5.1	64.3		721.1
Other long-term liabilities	19.1	20.8	70.0		109.9
Total liabilities	3,091.2	1,257.2	1,140.2	(1,827.9)	3,660.7
Total stockholders equity	2,587.1	471.9	3,797.7	(4,269.6)	2,587.1
Total liabilities and stockholders equity	$ 5,678.3	$ 1,729.1	$ 4,937.9	$ (6,097.5)	$ 6,247.8

Table of Contents

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Statements of Operations

For the year ended December 31, 2012

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Sales	$	$ 2,031.8	$ 2,999.7	$	$ 5,031.5
Cost of sales	57.0	1,888.2	2,393.1		4,338.3
Selling and administrative expenses	149.0	42.6	186.2		377.8
Income (loss) before interest, other income and income taxes	(206.0)	101.0	420.4		315.4
Interest expense, net	(60.7)	(10.5)	(0.4)		(71.6)
Other income (expense) including equity in income of unconsolidated subsidiaries	510.7	(21.5)	32.0	(521.0)	0.2
Income before income tax provision	244.0	69.0	452.0	(521.0)	244.0
Income tax provision	76.2	27.5	177.3	(204.8)	76.2
Net income	167.8	41.5	274.7	(316.2)	167.8
Less: Net income attributable to noncontrolling interest			9.4		9.4
Net income attributable to ATI	$ 167.8	$ 41.5	$ 265.3	$ (316.2)	$ 158.4

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Statements of Comprehensive Income

For the year ended December 31, 2012

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net income	$ 167.8	$ 41.5	$ 274.7	$ (316.2)	$ 167.8
Other comprehensive income (loss)					
Currency translation adjustment arising during the period	14.3		14.3	(14.3)	14.3
Net derivative gain (loss) on hedge transactions	(2.8)				(2.8)
Pension and postretirement benefits	(97.4)	(18.1)	(5.1)	23.2	(97.4)
Other comprehensive income (loss), net of tax	(85.9)	(18.1)	9.2	8.9	(85.9)
Comprehensive income	81.9	23.4	283.9	(307.3)	81.9
Less: Comprehensive income attributable to noncontrolling interest			11.3		11.3

Comprehensive income (loss) attributable to ATI	$ 81.9	$ 23.4	$ 272.6	$ (307.3)	$ 70.6

Table of Contents

Condensed Statements of Cash Flows

For the year ended December 31, 2012

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Cash flows provided by (used in) operating activities	$ (52.1)	$ 57.7	$ 422.7	$ (0.8)	$ 427.5
Cash flows used in investing activities	(1.7)	(308.3)	(68.7)		(378.7)
Cash flows provided by (used in) financing activities	58.6	134.0	(318.2)	0.8	(124.8)
Increase (decrease) in cash and cash equivalents	$ 4.8	$ (116.6)	$ 35.8	$	$ (76.0)

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Balance Sheets

December 31, 2011

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Assets:					
Cash and cash equivalents	$ 0.8	$ 129.7	$ 250.1	$	$ 380.6
Accounts receivable, net	0.1	220.6	488.4		709.1
Inventories, net		299.0	1,085.3		1,384.3
Prepaid expenses and other current assets	10.5	20.0	65.0		95.5
Total current assets	11.4	669.3	1,888.8		2,569.5
Property, plant and equipment, net	3.0	614.9	1,750.9		2,368.8
Cost in excess of net assets acquired		112.1	625.6		737.7
Investments in subsidiaries and other assets	5,287.3	1,579.0	996.6	(7,492.0)	370.9
Total assets	$ 5,301.7	$ 2,975.3	$ 5,261.9	$ (7,492.0)	$ 6,046.9
Liabilities and stockholders equity:					
Accounts payable	$ 4.1	$ 222.5	$ 264.1	$	$ 490.7
Accrued liabilities	961.8	66.7	736.2	(1,444.4)	320.3
Deferred income taxes	23.5				23.5
Short-term debt and current portion of long-term debt		0.1	27.2		27.3
Total current liabilities	989.4	289.3	1,027.5	(1,444.4)	861.8
Long-term debt	1,252.5	350.7	78.8	(200.0)	1,482.0
Accrued postretirement benefits		215.5	272.6		488.1
Pension liabilities	441.6	5.7	61.6		508.9
Deferred income taxes	9.8				9.8
Other long-term liabilities	36.8	17.2	70.7		124.7
Total liabilities	2,730.1	878.4	1,511.2	(1,644.4)	3,475.3
Total stockholders equity	2,571.6	2,096.9	3,750.7	(5,847.6)	2,571.6

Total liabilities and stockholders equity	$ 5,301.7	$ 2,975.3	$ 5,261.9	$ (7,492.0)	$ 6,046.9

Table of Contents

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Statements of Operations

For the year ended December 31, 2011

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Sales	$	$ 2,363.4	$ 2,819.6	$	$ 5,183.0
Cost of sales	27.4	2,129.2	2,213.2		4,369.8
Selling and administrative expenses	168.6	50.9	162.6		382.1
Income (loss) before interest, other income and income taxes	(196.0)	183.3	443.8		431.1
Interest income (expense), net	(81.6)	(10.4)	(0.3)		(92.3)
Other income (expense) including equity in income of unconsolidated subsidiaries	617.0	4.1	2.6	(623.1)	0.6
Income before income tax provision	339.4	177.0	446.1	(623.1)	339.4
Income tax provision	116.3	68.8	155.1	(223.9)	116.3
Net income	223.1	108.2	291.0	(399.2)	223.1
Less: Net income attributable to noncontrolling interest			8.8		8.8
Net income attributable to ATI	$ 223.1	$ 108.2	$ 282.2	$ (399.2)	$ 214.3

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Statements of Comprehensive Income

For the year ended December 31, 2011

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net income	$ 223.1	$ 108.2	$ 291.0	$ (399.2)	$ 223.1
Other comprehensive income (loss)					
Currency translation adjustment arising during the period	2.7		2.7	(2.7)	2.7
Unrealized holding gain (loss) on securities	(0.1)		(0.1)	0.1	(0.1)
Net derivative gain (loss) on hedge transactions	3.8				3.8
Pension and postretirement benefits	(277.1)	(32.9)	(20.9)	53.8	(277.1)
Other comprehensive income (loss), net of tax	(270.7)	(32.9)	(18.3)	51.2	(270.7)
Comprehensive income (loss)	(47.6)	75.3	272.7	(348.0)	(47.6)
Less: Comprehensive income attributable to noncontrolling interest			14.6		14.6

Comprehensive income (loss) attributable to ATI	$ (47.6)	$ 75.3	$ 258.1	$ (348.0)	$ (62.2)

76

Table of Contents

Condensed Statements of Cash Flows

For the year ended December 31, 2011

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Cash flows provided by (used in) operating activities	$ (16.2)	$ 78.2	$ 234.8	$	$ 296.8
Cash flows used in investing activities	(385.1)	(160.8)	(74.3)	(4.5)	(624.7)
Cash flows provided by (used in) financing activities	400.2	53.2	(181.7)	4.5	276.2
Increase (decrease) in cash and cash equivalents	$ (1.1)	$ (29.4)	$ (21.2)	$	$ (51.7)

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Statements of Operations

For the year ended December 31, 2010

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Sales	$	$ 2,056.5	$ 1,991.3	$	$ 4,047.8
Cost of sales	44.0	1,968.4	1,545.1		3,557.5
Selling and administrative expenses	126.2	28.8	149.9		304.9
Income (loss) before interest, other income and income taxes	(170.2)	59.3	296.3		185.4
Interest income (expense), net	(52.2)	(10.2)	(0.3)		(62.7)
Other income (expense) including equity in income of unconsolidated subsidiaries	348.1	8.5	3.8	(357.4)	3.0
Income before income tax provision	125.7	57.6	299.8	(357.4)	125.7
Income tax provision	47.0	20.0	124.0	(144.0)	47.0
Net income	78.7	37.6	175.8	(213.4)	78.7
Less: Net income attributable to noncontrolling interest			8.0		8.0
Net income attributable to ATI	$ 78.7	$ 37.6	$ 167.8	$ (213.4)	$ 70.7

Allegheny Technologies Incorporated

Financial Information for Subsidiary and Guarantor Parent

Statements of Comprehensive Income

For the year ended December 31, 2010

(In millions)	Subsidiary	Eliminations	Consolidated

	Guarantor Parent		Non-guarantor Subsidiaries		
Net income	$ 78.7	$ 37.6	$ 175.8	$ (213.4)	$ 78.7
Other comprehensive income (loss)					
Currency translation adjustment arising during the period	(5.4)		(5.4)	5.4	(5.4)
Net derivative gain (loss) on hedge transactions	(7.2)				(7.2)
Pension and postretirement benefits	24.2	(12.8)	(0.5)	13.3	24.2
Other comprehensive income (loss), net of tax	11.6	(12.8)	(5.9)	18.7	11.6
Comprehensive income (loss)	90.3	24.8	169.9	(194.7)	90.3
Less: Comprehensive income attributable to noncontrolling interest			11.2		11.2
Comprehensive income (loss) attributable to ATI	$ 90.3	$ 24.8	$ 158.7	$ (194.7)	$ 79.1

Condensed Statements of Cash Flows

For the year ended December 31, 2010

(In millions)	Guarantor Parent	Subsidiary	Non-guarantor Subsidiaries	Eliminations	Consolidated
Cash flows provided by (used in) operating activities	$ (23.8)	$ (188.9)	$ 271.2	$ (31.4)	$ 27.1
Cash flows used in investing activities	(0.2)	(68.7)	(123.0)	(24.9)	(216.8)
Cash flows provided by (used in) financing activities	18.7	(55.5)	(106.3)	56.3	(86.8)
Increase (decrease) in cash and cash equivalents	$ (5.3)	$ (313.1)	$ 41.9	$	$ (276.5)

Note 16. Commitments and Contingencies

Rental expense under operating leases was $25.0 million in 2012, $21.4 million in 2011, and $21.1 million in 2010. Future minimum rental commitments under operating leases with non-cancelable terms of more than one year at December 31, 2012, were as follows: $17.6 million in 2013, $15.5 million in 2014, $14.9 million in 2015, $13.7 million in 2016, $6.2 million in 2017 and $28.3 million thereafter. Commitments for expenditures on property, plant and equipment at December 31, 2012 were approximately $543.6 million.

The Company is subject to various domestic and international environmental laws and regulations that govern the discharge of pollutants and disposal of wastes, and which may require that it investigate and remediate the effects of the release or disposal of materials at sites associated with past and present operations. The Company could incur substantial cleanup costs, fines, and civil or criminal sanctions, third party property damage or personal injury claims as a result of violations or liabilities under these laws or noncompliance with environmental permits required at its facilities. The Company is currently involved in the investigation and remediation of a number of its current and former sites, as well as third party sites.

Environmental liabilities are recorded when the Company s liability is probable and the costs are reasonably estimable. In many cases, however, the Company is not able to determine whether it is liable or, if liability is probable, to reasonably estimate the loss or range of loss. Estimates of the Company s liability remain subject to additional uncertainties, including the nature and extent of site contamination, available remediation alternatives, the extent of corrective actions that may be required, and the number, participation, and financial condition of other potentially responsible parties (PRPs). The Company adjusts its accruals to reflect new information as appropriate. Future adjustments could have a material adverse effect on the Company s results of operations in a given period, but the Company cannot reliably predict the amounts of such future adjustments.

At December 31, 2012, the Company s reserves for environmental remediation obligations totaled approximately $16 million, of which $10 million was included in other current liabilities. The reserve includes estimated probable future costs of $6 million for federal Superfund and comparable state-managed sites; $7 million for formerly owned or operated sites for which the Company has remediation or indemnification obligations; $2 million for owned or controlled sites at which Company operations have been discontinued; and $1 million for sites utilized by the Company in its ongoing operations. The Company continues to evaluate whether it may be able to recover a portion of future costs for environmental liabilities from third parties and to pursue such recoveries where appropriate.

Based on currently available information, it is reasonably possible that the costs for active matters may exceed the Company s recorded reserves by as much as $1 million. However, future investigation or remediation activities may result in the discovery of additional hazardous materials, potentially higher levels of contamination than discovered during prior investigation, and may impact costs of the success or lack thereof in remedial solutions. Therefore, future developments, administrative actions or liabilities relating to environmental matters could have a material adverse effect on the Company s financial condition or results of operation.

The timing of expenditures depends on a number of factors that vary by site. The Company expects that it will expend present accruals over many years and that remediation of all sites with which it has been identified will be completed within thirty years.

A number of other lawsuits, claims and proceedings have been or may be asserted against the Company relating to the conduct of its currently and formerly owned businesses, including those pertaining to product liability, patent infringement, commercial, government contracting, employment, employee and retiree benefits, taxes, environmental, health and safety, occupational disease, and stockholder and corporate governance matters. While the outcome of litigation cannot be predicted with certainty, and some of these lawsuits, claims or proceedings may be determined adversely to the Company, management does not believe that the disposition of any such pending matters is likely to have a material adverse effect on the Company s financial condition or liquidity, although the resolution in any reporting period of one or more of these matters could have a material adverse effect on the Company s results of operations for that period.

Table of Contents

Note 17. Selected Quarterly Financial Data

(Unaudited)

(In millions except share and per share amounts)	Quarter Ended March 31	June 30	September 30	December 31
2012 -				
Sales	$ 1,352.5	$ 1,357.4	$ 1,220.5	$ 1,101.1
Gross Profit	207.0	198.9	162.8	124.5
Net income attributable to ATI	56.2	56.4	35.3	10.5
Basic net income attributable to ATI per common share	$ 0.53	$ 0.53	$ 0.33	$ 0.10
Diluted net income attributable to ATI per common share	$ 0.50	$ 0.50	$ 0.32	$ 0.10
Average shares outstanding	106,746,877	107,125,436	107,185,585	107,321,941
2011 -				
Sales	$ 1,227.4	$ 1,351.6	$ 1,352.6	$ 1,251.4
Gross Profit	205.4	223.0	215.8	169.0
Net income attributable to ATI	56.3	64.0	62.3	31.7
Basic net income attributable to ATI per common share	$ 0.58	$ 0.63	$ 0.59	$ 0.30
Diluted net income attributable to ATI per common share	$ 0.54	$ 0.59	$ 0.56	$ 0.29
Average shares outstanding	98,767,947	103,405,003	106,341,817	106,358,868

The fourth quarter 2012 included a special charge of $8.8 million, net of tax, for asset write-downs related to the consolidation of casting facilities in the Engineered Products segment.

The first quarter 2011 included a special charge of $3.1 million, net of tax, related to the accelerated recognition of equity-based compensation expense due to previously announced executive retirements. In addition, first quarter 2011 results included a discrete tax charge of $2.7 million primarily related to foreign income taxes.

Ladish acquisition-related expenses, net of tax, were $12.7 million, $8.3 million and $1.1 million, for the second, third and fourth quarters of 2011, respectively, and were primarily related to inventory fair value adjustments and transaction costs.

Additionally, the fourth quarter 2011 results were impacted by restructuring charges of $1.7 million, net of tax.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the Company s disclosure controls and procedures (as defined in Rule 13a-15(e) or Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2012, and they concluded that these controls and procedures are effective.

Table of Contents

Management s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the company s principal executive and principal financial officers and effected by the company s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting can also be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

The Company s management assessed the effectiveness of the Company s internal control over financial reporting as of December 31, 2012. In making this assessment, the Company s management used the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission s Internal Control-Integrated Framework.

Based on our assessment, management has concluded that, as of December 31, 2012, the Company s internal control over financial reporting is effective based on those criteria.

The Company s independent registered public accounting firm that audited the financial statements included in this Annual Report issued an attestation report on the Company s internal control over financial reporting.

Management s Certifications

The certifications of the Company s Chief Executive Officer and Chief Financial Officer required by the Sarbanes-Oxley Act are included as Exhibits 31 and 32 to this Annual Report on Form 10-K. In addition, in 2012 the Company s Chief Executive Officer provided to the New York Stock Exchange the annual CEO certification pursuant to Section 303A regarding the Company s compliance with the New York Stock Exchange s corporate governance listing standards.

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of Allegheny Technologies Incorporated and Subsidiaries

We have audited Allegheny Technologies Incorporated and Subsidiaries internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Allegheny Technologies Incorporated and Subsidiaries management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company s internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Allegheny Technologies Incorporated and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Allegheny Technologies Incorporated and Subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the three years in the period ended December 31, 2012 of Allegheny Technologies Incorporated and Subsidiaries and our report dated February 28, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania

February 28, 2013

Table of Contents

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

In addition to the information set forth under the caption Executive Management, including Executive Officers under the Federal Securities Laws in Part I of this report, the information concerning our directors required by this item is incorporated and made part hereof by reference to the material appearing under the heading Our Corporate Governance and Election of Directors in Allegheny Technologies Proxy Statement for the 2013 Annual Meeting of Stockholders (the 2013 Proxy Statement), which will be filed with the Securities and Exchange Commission, pursuant to Regulation 14A, not later than 120 days after the end of the fiscal year. Information concerning the Audit Committee and its financial expert required by this item is incorporated and made part hereof by reference to the material appearing under the heading Committees of the Board of Directors Audit Committee in the 2013 Proxy Statement. Information required by this item regarding compliance with Section 16(a) of the Exchange Act is incorporated and made a part hereof by reference to the material appearing under the heading Section 16(a) Beneficial Ownership Reporting Compliance in the 2013 Proxy Statement. Information concerning the executive officers of Allegheny Technologies is contained in Part I of this Form 10-K under the caption Executive Management, including Executive Officers under the Federal Securities Laws.

Allegheny Technologies has adopted *Corporate Guidelines for Business Conduct and Ethics* that apply to all employees including its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The *Corporate Guidelines for Business Conduct and Ethics* as well as the charters for the Company s Audit, Finance, Nominating and Governance, Personnel and Compensation, and Technology Committees, as well as periodic and current reports filed with the SEC, are available through the Company s website at http://www.atimetals.com and are available in print free of charge to any shareholder upon request. To obtain a copy, contact the Corporate Secretary, Allegheny Technologies Incorporated, 1000 Six PPG Place, Pittsburgh, Pennsylvania 15222-5479 (telephone: 412-394-2800). The Company intends to post on its website any waiver from or amendment to the guidelines that apply to the Company s Principal Executive Officer, Principal Financial Officer or Principal Accounting Officer or Controller (or persons performing similar functions) that relate to elements of the code of ethics identified by the Securities and Exchange Commission in Item 406(b) of Regulation S-K.

Item 11. Executive Compensation

Information required by this item is incorporated by reference to Director Compensation, Executive Compensation and Compensation Committee Interlocks and Insider Participation as set forth in the 2013 Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information relating to the ownership of equity securities by certain beneficial owners and management is incorporated by reference to Stock Ownership Information as set forth in the 2013 Proxy Statement.

Equity Compensation Plan Information

Information about our equity compensation plans at December 31, 2012 was as follows:

(in thousands, except per share amounts)	**(a)** Number of Shares to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (1) (excluding securities reflected in column (a))

Equity Compensation Plans Approved by Shareholders	107	$	9.33	1,002
Equity Compensation Plans Not Approved by Shareholders				
Total	107	$	9.33	1,002

(1) Represents shares available for issuance under the 2007 Incentive Plan, which was amended and restated in 2010 and further amended in 2012 (which provides for the issuance of stock options and stock appreciation rights, restricted shares, performance and other stock-based awards). Of the total number of shares authorized under the Incentive Plan, a maximum of 1.81 million shares have been reserved for issuance for award periods under the Total Shareholder Return Incentive Compensation Program. See Note 11. Stockholders Equity for a discussion of the Company s stock-based compensation plans.

Table of Contents

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item is incorporated by reference to Certain Transactions and Number and Independence of Directors as set forth in the 2013 Proxy Statement.

Item 14. Principal Accountant Fees and Services

Information required by this item is incorporated by reference to Ratification of Selection of Independent Auditors including Audit Committee Pre-Approval Policy and Independent Auditor: Services and Fees, as set forth in the 2013 Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statements and Financial Statement Schedules

(a) Financial Statements, Financial Statement Schedules and Exhibits:

(1) Financial Statements

The following consolidated financial statements and report are filed as part of this report under Item 8 Financial Statements and Supplementary Data :

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

Consolidated Statements of Income Years Ended December 31, 2012, 2011, and 2010

Consolidated Statements of Comprehensive Income Years Ended December 31, 2012, 2011, and 2010

Consolidated Balance Sheets at December 31, 2012 and 2011

Consolidated Statements of Cash Flows Years Ended December 31, 2012, 2011, and 2010

Statements of Changes in Consolidated Equity Years Ended December 31, 2012, 2011, and 2010

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

All schedules set forth in the applicable accounting regulations of the Securities and Exchange Commission either are not required under the related instructions or are not applicable and, therefore, have been omitted.

Table of Contents

(3) Exhibits

Exhibits required to be filed by Item 601 of Regulation S-K are listed below. Documents not designated as being incorporated herein by reference are filed herewith. The paragraph numbers correspond to the exhibit numbers designated in Item 601 of Regulation S-K.

EXHIBIT INDEX

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of November 16, 2010, by and among Allegheny Technologies Incorporated, LPAD Co., PADL LLC and Ladish Co., Inc. (incorporated by reference to Exhibit 2.1 to the Registrant s Current Report on Form 8-K dated November 17, 2010 (File No. 1-12001)).
3.1	Certificate of Incorporation of Allegheny Technologies Incorporated, as amended (incorporated by reference to Exhibit 3.1 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-12001)).
3.2	Second Amended and Restated Bylaws of Allegheny Technologies Incorporated (incorporated by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K dated September 7, 2012 (File No. 1-12001)).
4.1	Indenture dated as of December 15, 1995, between Allegheny Ludlum Corporation and The Chase Manhattan Bank (National Association), as Trustee, relating to Allegheny Ludlum Corporation s 6.95% Debentures due 2025 (incorporated by reference to Exhibit 4(a) to Allegheny Ludlum Corporation s Report on Form 10-K for the year ended December 31, 1995 (File No. 1-9498)), and First Supplemental Indenture by and among Allegheny Technologies Incorporated, Allegheny Ludlum Corporation and The Chase Manhattan Bank (National Association), as Trustee, dated as of August 15, 1996 (incorporated by reference to Exhibit 4.1 to Registrant s Current Report on Form 8-K dated August 15, 1996 (File No. 1-12001)).
4.2	Supplemental Indenture, dated as of December 22, 2011, among Allegheny Ludlum Corporation, ALC Merger, LLC, and The Bank of New York Mellon (as successor to The Chase Manhattan Bank (National Association)), as Trustee (incorporated by reference to Exhibit 4.4 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 1-12001)).
4.3	Indenture, dated June 1, 2009, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.4	First Supplemental Indenture, dated June 1, 2009, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee, relating to Allegheny Technologies Incorporated s 9.375% Senior Notes due 2019 (incorporated by reference to Exhibit 4.2 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.5	Second Supplemental Indenture, dated June 2, 2009, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee, relating to Allegheny Technologies Incorporated s 4.25% Convertible Senior Notes due 2014 (incorporated by reference to Exhibit 4.3 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.6	Form of 9.375% Senior Note due 2019 (incorporated by reference to Exhibit 4.4 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.7	Form of 4.25% Convertible Senior Note due 2014 (incorporated by reference to Exhibit 4.5 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.8	Third Supplemental Indenture, dated January 7, 2011, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee, relating to Allegheny Technologies Incorporated s 5.950% Senior Notes due 2021 (incorporated by reference to Exhibit 4.1 to the Registrant s Current Report on Form 8-K dated January 7, 2011 (File No. 1-12001)).
4.9	Form of 5.950% Senior Note due 2021 (incorporated by reference to Exhibit 4.2 to the Registrant s Current Report on Form 8-K dated January 7, 2011 (File No. 1-12001)).
4.10	Note Purchase Agreement, dated as of July 20, 2001, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10.(E) to the Annual Report on Form 10-K of Ladish Co., Inc. for the year ended December 31, 2001 (File No. 0-23539)).

84

Exhibit No.	Description
4.11	First Amendment to Note Purchase Agreement, dated as of May 16, 2006, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10(b) to the Current Report on Form 8-K filed by Ladish Co., Inc. on May 18, 2006 (File No. 0-23539)).
4.12	Series B Terms Agreement to Note Purchase Agreement, dated as of May 16, 2006, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10(a) to the Current Report on Form 8-K filed by Ladish Co., Inc. on May 18, 2006 (File No. 0-23539)).
4.13	Second Amendment to Note Purchase Agreement, dated as of September 2, 2008, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 99.C to the Current Report on Form 8-K filed by Ladish Co., Inc. on September 2, 2008 (File No. 0-23539)).
4.14	Series C Terms Agreement to Note Purchase Agreement, dated as of September 2, 2008, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 99.B to the Current Report on Form 8-K filed by Ladish Co., Inc. on September 2, 2008 (File No. 0-23539)).
4.15	Third Amendment to Note Purchase Agreement, dated as of December 21, 2009, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10(Q) to the Annual Report on Form 10-K of Ladish Co., Inc. for the year ended December 31, 2009 (File No. 0-23539)).
4.16	Fourth Amendment to Note Purchase Agreement, dated as of March 16, 2012, by and between ATI Ladish LLC (as successor by merger to Ladish Co., Inc.) and the purchasers listed therein (incorporated by reference to Exhibit 4.1 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).
10.1	Allegheny Technologies Incorporated 1996 Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 1-12001)).*
10.2	Allegheny Technologies Incorporated 1996 Non-Employee Director Stock Compensation Plan, as amended December 17, 1998 (incorporated by reference to Exhibit 10.4 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-12001)).*
10.3	Allegheny Technologies Incorporated Fee Continuation Plan for Non-Employee Directors, as amended (incorporated by reference to Exhibit 10.3 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 1-12001)).*
10.4	Supplemental Pension Plan for Certain Key Employees of Allegheny Technologies Incorporated and its subsidiaries (formerly known as the Allegheny Ludlum Corporation Key Man Salary Continuation Plan) (incorporated by reference to Exhibit 10.7 to the Company s Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 1-12001)).*
10.5	Allegheny Technologies Incorporated Benefit Restoration Plan, as amended (incorporated by reference to Exhibit 10.8 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-12001)).*
10.6	Allegheny Technologies Incorporated 2000 Incentive Plan, as amended (incorporated by reference to Exhibit 10.9 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2005 (File No. 1-12001)).*
10.7	Amendment to the Allegheny Technologies Incorporated Pension Plan effective January 1, 2003 (incorporated by reference to Exhibit 10.20 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-12001)).*
10.8	Credit Agreement, dated July 31, 2007, by and among the Company, the guarantors party thereto, the lenders party thereto, PNC Bank, National Association, as Administrative Agent, and PNC Capital Markets LLC, as Lead Arranger (incorporated by reference to Exhibit 10.6 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No. 1-12001)).
10.9	Form of Amended and Restated Change in Control Severance Agreement, dated as of December 31, 2008 (incorporated by reference to Exhibit 10.10 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 12001)).*

Table of Contents

Exhibit No.	Description
10.10	Summary of Non-Employee Director Compensation Program (incorporated by reference to Exhibit 99.1 to the Registrant s Current Report on Form 8-K dated August 5, 2008 (File No. 1-12001)).
10.11	Administrative Rules for the Non-Employee Director Restricted Stock Program, effective as of May 2, 2007, as amended through May 7, 2010 (incorporated by reference to Exhibit 10.5 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No. 1-12001)).*
10.12	Form of Performance/Restricted Stock Agreement dated February 21, 2008 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 (File No. 1-12001)).*
10.13	First Amendment to Credit Agreement, dated May 29, 2009, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as administrative agent for the lenders (incorporated by reference to Exhibit 10.7 to the Registrant s Quarterly Report on Form 10-Q dated March 31, 2010 (File No. 1-12001)).
10.14	Form of Key Executive Performance Plan Agreement dated February 24, 2010, including Key Executive Performance Plan, as amended February 24, 2010 (incorporated by reference to Exhibit 10.1 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No.1-12001)).*
10.15	Form of Total Shareholder Return Incentive Compensation Program Award Agreement effective as of January 1, 2010 (incorporated by reference to Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No.1-12001)).*
10.16	Form of Performance/Restricted Stock Agreement dated February 24, 2010 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No.1-12001)).*
10.17	Allegheny Technologies Incorporated 2007 Incentive Plan As Amended and Restated, effective May 7, 2010 (incorporated by reference to Exhibit 99.1 to the Registrant s Registration Statement on Form S-8 dated May 7, 2010 (File No 333-166628)).*
10.18	Second Amendment to Credit Agreement, dated December 22, 2010, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.1 to the Registrant s Current Report on Form 8-K dated December 29, 2010 (File No. 1-12001)).
10.19	Consulting and Noncompetition Agreement between Allegheny Technologies Incorporated and Lynn D. Davis, effective as of February 2, 2011 (incorporated by reference to Exhibit 10.30 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 1-12001)).
10.20	Form of Performance/Restricted Stock Agreement dated February 24, 2011 (incorporated by reference to Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.21	Form of Total Shareholder Return Incentive Compensation Program Award Agreement effective as of January 1, 2011 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.22	Form of Key Executive Performance Plan Agreement dated February 24, 2011, including Key Executive Performance Plan, as amended February 24, 2011 (incorporated by reference to Exhibit 10.4 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.23	Third Amendment to Credit Agreement, dated March 11, 2011, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.5 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).

Table of Contents

Exhibit No.	Description
10.24	Consulting and Noncompetition Agreement between Allegheny Technologies Incorporated and L. Patrick Hassey, dated as of May 1, 2011 (incorporated by reference to Exhibit 10.6 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.25	Consulting and Noncompetition Agreement between Allegheny Technologies Incorporated and Jon D. Walton, dated as of May 1, 2011 (incorporated by reference to Exhibit 10.7 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.26	Fourth Amendment to Credit Agreement, dated November 9, 2011, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.33 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 1-12001)).
10.27	Aircraft Time Sharing Agreement, effective as of January 1, 2012, by and between Allegheny Technologies Incorporated and Richard J. Harshman (incorporated by reference to Exhibit 10.34 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 1-12001)).
10.28	Fifth Amendment to Credit Agreement, dated April 4, 2012, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.1 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).
10.29	2012 Annual Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.30	Form of Performance/Restricted Stock Agreement dated February 22, 2012 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.31	Form of Total Shareholder Return Incentive Compensation Program Award Agreement effective as of January 1, 2012 (incorporated by reference to Exhibit 10.4 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.32	Form of Key Executive Performance Plan Agreement dated February 22, 2012, including Key Executive Performance Plan as amended February 22, 2012 (incorporated by reference to Exhibit 10.5 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)). *
10.33	Form of Clawback Agreement regarding incentive payments under the Annual Incentive Plan dated March 15, 2012 (incorporated by reference to Exhibit 10.6 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.34	Form of Clawback Agreement regarding incentive payments under the long-term incentive plans dated March 15, 2012 (incorporated by reference to Exhibit 10.7 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.35	Amendment No. 1 to the Allegheny Technologies Incorporated 2007 Incentive Plan, as Amended and Restated, effective May 11, 2012 (incorporated by reference to Exhibit 99.2 to the Registrant s Registration Statement on Form S-8 dated May 17, 2012 (File No. 333-181491)).*
10.36	Retention Pool Award Agreement, dated May 9, 2011, by and between Gary J. Vroman and Allegheny Technologies Incorporated (filed herewith).*
10.37	Agreement, dated August 25, 2010, between Ladish Co., Inc. and Gary J. Vroman, as amended (filed herewith).*
12.1	Computation of Ratio of Earnings to Fixed Charges (filed herewith).
21.1	Subsidiaries of the Registrant (filed herewith).
23.1	Consent of Ernst & Young LLP (filed herewith).

Exhibit No.	Description
31.1	Certification of Chief Executive Officer required by Securities and Exchange Commission Rule 13a-14(a) or 15d-14(a) (filed herewith).
31.2	Certification of Chief Financial Officer required by Securities and Exchange Commission Rule 13a-14(a) or 15d-14(a) (filed herewith).
32.1	Certification pursuant to 18 U.S.C. Section 1350 (filed herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* *Management contract or compensatory plan or arrangement required to be filed as an Exhibit to this Report.*

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALLEGHENY TECHNOLOGIES INCORPORATED

Date: February 28, 2013

By /s/ Richard J. Harshman
Richard J. Harshman
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and as of the 28th day of February, 2013.

/s/ Richard J. Harshman Richard J. Harshman *Chairman, President and Chief Executive Officer and Director*	/s/ Dale G. Reid Dale G. Reid *Executive Vice President, Finance and Chief Financial Officer (Principal Financial Officer)*
	/s/ Karl D. Schwartz Karl D. Schwartz *Controller and Chief Accounting Officer (Principal Accounting Officer)*
/s/ Carolyn Corvi Carolyn Corvi *Director*	/s/ Michael J. Joyce Michael J. Joyce *Director*
/s/ Diane C. Creel Diane C. Creel *Director*	/s/ John R. Pipski John R. Pipski *Director*
/s/ James C. Diggs James C. Diggs *Director*	/s/ James E. Rohr James E. Rohr *Director*
/s/ J. Brett Harvey J. Brett Harvey *Director*	/s/ Louis J. Thomas Louis J. Thomas *Director*
/s/ Barbara S. Jeremiah Barbara S. Jeremiah *Director*	/s/ John D. Turner John D. Turner *Director*

EXHIBIT INDEX

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of November 16, 2010, by and among Allegheny Technologies Incorporated, LPAD Co., PADL LLC and Ladish Co., Inc. (incorporated by reference to Exhibit 2.1 to the Registrant s Current Report on Form 8-K dated November 17, 2010 (File No. 1-12001)).
3.1	Certificate of Incorporation of Allegheny Technologies Incorporated, as amended (incorporated by reference to Exhibit 3.1 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-12001)).
3.2	Second Amended and Restated Bylaws of Allegheny Technologies Incorporated (incorporated by reference to Exhibit 3.1 to the Registrant s Current Report on Form 8-K dated September 7, 2012 (File No. 1-12001)).
4.1	Indenture dated as of December 15, 1995, between Allegheny Ludlum Corporation and The Chase Manhattan Bank (National Association), as Trustee, relating to Allegheny Ludlum Corporation s 6.95% Debentures due 2025 (incorporated by reference to Exhibit 4(a) to Allegheny Ludlum Corporation s Report on Form 10-K for the year ended December 31, 1995 (File No. 1-9498)), and First Supplemental Indenture by and among Allegheny Technologies Incorporated, Allegheny Ludlum Corporation and The Chase Manhattan Bank (National Association), as Trustee, dated as of August 15, 1996 (incorporated by reference to Exhibit 4.1 to Registrant s Current Report on Form 8-K dated August 15, 1996 (File No. 1-12001)).
4.2	Supplemental Indenture, dated as of December 22, 2011, among Allegheny Ludlum Corporation, ALC Merger, LLC, and The Bank of New York Mellon (as successor to The Chase Manhattan Bank (National Association)), as Trustee (incorporated by reference to Exhibit 4.4 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 1-12001)).
4.3	Indenture, dated June 1, 2009, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.4	First Supplemental Indenture, dated June 1, 2009, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee, relating to Allegheny Technologies Incorporated s 9.375% Senior Notes due 2019 (incorporated by reference to Exhibit 4.2 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.5	Second Supplemental Indenture, dated June 2, 2009, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee, relating to Allegheny Technologies Incorporated s 4.25% Convertible Senior Notes due 2014 (incorporated by reference to Exhibit 4.3 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.6	Form of 9.375% Senior Note due 2019 (incorporated by reference to Exhibit 4.4 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.7	Form of 4.25% Convertible Senior Note due 2014 (incorporated by reference to Exhibit 4.5 to the Registrant s Current Report on Form 8-K dated June 3, 2009 (File No. 1-12001)).
4.8	Third Supplemental Indenture, dated January 7, 2011, between Allegheny Technologies Incorporated and The Bank of New York Mellon, as Trustee, relating to Allegheny Technologies Incorporated s 5.950% Senior Notes due 2021 (incorporated by reference to Exhibit 4.1 to the Registrant s Current Report on Form 8-K dated January 7, 2011 (File No. 1-12001)).
4.9	Form of 5.950% Senior Note due 2021 (incorporated by reference to Exhibit 4.2 to the Registrant s Current Report on Form 8-K dated January 7, 2011 (File No. 1-12001)).
4.10	Note Purchase Agreement, dated as of July 20, 2001, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10.(E) to the Annual Report on Form 10-K of Ladish Co., Inc. for the year ended December 31, 2001 (File No. 0-23539)).
4.11	First Amendment to Note Purchase Agreement, dated as of May 16, 2006, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10(b) to the Current Report on Form 8-K filed by Ladish Co., Inc. on May 18, 2006 (File No. 0-23539)).

Table of Contents

Exhibit No.	Description
4.12	Series B Terms Agreement to Note Purchase Agreement, dated as of May 16, 2006, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10(a) to the Current Report on Form 8-K filed by Ladish Co., Inc. on May 18, 2006 (File No. 0-23539)).
4.13	Second Amendment to Note Purchase Agreement, dated as of September 2, 2008, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 99.C to the Current Report on Form 8-K filed by Ladish Co., Inc. on September 2, 2008 (File No. 0-23539)).
4.14	Series C Terms Agreement to Note Purchase Agreement, dated as of September 2, 2008, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 99.B to the Current Report on Form 8-K filed by Ladish Co., Inc. on September 2, 2008 (File No. 0-23539)).
4.15	Third Amendment to Note Purchase Agreement, dated as of December 21, 2009, by and between Ladish Co., Inc. and the purchasers listed therein (incorporated by reference to Exhibit 10(Q) to the Annual Report on Form 10-K of Ladish Co., Inc. for the year ended December 31, 2009 (File No. 0-23539)).
4.16	Fourth Amendment to Note Purchase Agreement, dated as of March 16, 2012, by and between ATI Ladish LLC (as successor by merger to Ladish Co., Inc.) and the purchasers listed therein (incorporated by reference to Exhibit 4.1 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).
10.1	Allegheny Technologies Incorporated 1996 Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 1-12001)).*
10.2	Allegheny Technologies Incorporated 1996 Non-Employee Director Stock Compensation Plan, as amended December 17, 1998 (incorporated by reference to Exhibit 10.4 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-12001)).*
10.3	Allegheny Technologies Incorporated Fee Continuation Plan for Non-Employee Directors, as amended (incorporated by reference to Exhibit 10.3 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 1-12001)).*
10.4	Supplemental Pension Plan for Certain Key Employees of Allegheny Technologies Incorporated and its subsidiaries (formerly known as the Allegheny Ludlum Corporation Key Man Salary Continuation Plan) (incorporated by reference to Exhibit 10.7 to the Company s Annual Report on Form 10-K for the year ended December 31, 1997 (File No. 1-12001)).*
10.5	Allegheny Technologies Incorporated Benefit Restoration Plan, as amended (incorporated by reference to Exhibit 10.8 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-12001)).*
10.6	Allegheny Technologies Incorporated 2000 Incentive Plan, as amended (incorporated by reference to Exhibit 10.9 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2005 (File No. 1-12001)).*
10.7	Amendment to the Allegheny Technologies Incorporated Pension Plan effective January 1, 2003 (incorporated by reference to Exhibit 10.20 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-12001)).*
10.8	Credit Agreement, dated July 31, 2007, by and among the Company, the guarantors party thereto, the lenders party thereto, PNC Bank, National Association, as Administrative Agent, and PNC Capital Markets LLC, as Lead Arranger (incorporated by reference to Exhibit 10.6 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No. 1-12001)).
10.9	Form of Amended and Restated Change in Control Severance Agreement, dated as of December 31, 2008 (incorporated by reference to Exhibit 10.10 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 12001)).*
10.10	Summary of Non-Employee Director Compensation Program (incorporated by reference to Exhibit 99.1 to the Registrant s Current Report on Form 8-K dated August 5, 2008 (File No. 1-12001)).

Exhibit No.	Description
10.11	Administrative Rules for the Non-Employee Director Restricted Stock Program, effective as of May 2, 2007, as amended through May 7, 2010 (incorporated by reference to Exhibit 10.5 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No. 1-12001)).*
10.12	Form of Performance/Restricted Stock Agreement dated February 21, 2008 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2008 (File No. 1-12001)).*
10.13	First Amendment to Credit Agreement, dated May 29, 2009, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as administrative agent for the lenders (incorporated by reference to Exhibit 10.7 to the Registrant s Quarterly Report on Form 10-Q dated March 31, 2010 (File No. 1-12001)).
10.14	Form of Key Executive Performance Plan Agreement dated February 24, 2010, including Key Executive Performance Plan, as amended February 24, 2010 (incorporated by reference to Exhibit 10.1 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No.1-12001)).*
10.15	Form of Total Shareholder Return Incentive Compensation Program Award Agreement effective as of January 1, 2010 (incorporated by reference to Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No.1-12001)).*
10.16	Form of Performance/Restricted Stock Agreement dated February 24, 2010 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 (File No.1-12001)).*
10.17	Allegheny Technologies Incorporated 2007 Incentive Plan As Amended and Restated, effective May 7, 2010 (incorporated by reference to Exhibit 99.1 to the Registrant s Registration Statement on Form S-8 dated May 7, 2010 (File No 333-166628)).*
10.18	Second Amendment to Credit Agreement, dated December 22, 2010, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.1 to the Registrant s Current Report on Form 8-K dated December 29, 2010 (File No. 1-12001)).
10.19	Consulting and Noncompetition Agreement between Allegheny Technologies Incorporated and Lynn D. Davis, effective as of February 2, 2011 (incorporated by reference to Exhibit 10.30 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 1-12001)).
10.20	Form of Performance/Restricted Stock Agreement dated February 24, 2011 (incorporated by reference to Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.21	Form of Total Shareholder Return Incentive Compensation Program Award Agreement effective as of January 1, 2011 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.22	Form of Key Executive Performance Plan Agreement dated February 24, 2011, including Key Executive Performance Plan, as amended February 24, 2011 (incorporated by reference to Exhibit 10.4 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.23	Third Amendment to Credit Agreement, dated March 11, 2011, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.5 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).
10.24	Consulting and Noncompetition Agreement between Allegheny Technologies Incorporated and L. Patrick Hassey, dated as of May 1, 2011 (incorporated by reference to Exhibit 10.6 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*

Table of Contents

Exhibit No.	Description
10.25	Consulting and Noncompetition Agreement between Allegheny Technologies Incorporated and Jon D. Walton, dated as of May 1, 2011 (incorporated by reference to Exhibit 10.7 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 (file No. 1-12001)).*
10.26	Fourth Amendment to Credit Agreement, dated November 9, 2011, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.33 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 1-12001)).
10.27	Aircraft Time Sharing Agreement, effective as of January 1, 2012, by and between Allegheny Technologies Incorporated and Richard J. Harshman (incorporated by reference to Exhibit 10.34 to the Registrant s Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 1-12001)).
10.28	Fifth Amendment to Credit Agreement, dated April 4, 2012, by and among ATI Funding Corporation, TDY Holdings, LLC, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association, as Administrative Agent for the lenders (incorporated by reference to Exhibit 10.1 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).
10.29	2012 Annual Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.30	Form of Performance/Restricted Stock Agreement dated February 22, 2012 (incorporated by reference to Exhibit 10.3 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.31	Form of Total Shareholder Return Incentive Compensation Program Award Agreement effective as of January 1, 2012 (incorporated by reference to Exhibit 10.4 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.32	Form of Key Executive Performance Plan Agreement dated February 22, 2012, including Key Executive Performance Plan as amended February 22, 2012 (incorporated by reference to Exhibit 10.5 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)). *
10.33	Form of Clawback Agreement regarding incentive payments under the Annual Incentive Plan dated March 15, 2012 (incorporated by reference to Exhibit 10.6 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.34	Form of Clawback Agreement regarding incentive payments under the long-term incentive plans dated March 15, 2012 (incorporated by reference to Exhibit 10.7 to the Registrant s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012 (File No. 1-12001)).*
10.35	Amendment No. 1 to the Allegheny Technologies Incorporated 2007 Incentive Plan, as Amended and Restated, effective May 11, 2012 (incorporated by reference to Exhibit 99.2 to the Registrant s Registration Statement on Form S-8 dated May 17, 2012 (File No. 333-181491)).*
10.36	Retention Pool Award Agreement, dated May 9, 2011, by and between Gary J. Vroman and Allegheny Technologies Incorporated (filed herewith).*
10.37	Agreement, dated August 25, 2010, between Ladish Co., Inc. and Gary J. Vroman, as amended (filed herewith).*
12.1	Computation of Ratio of Earnings to Fixed Charges (filed herewith).
21.1	Subsidiaries of the Registrant (filed herewith).
23.1	Consent of Ernst & Young LLP (filed herewith).

Table of Contents

Exhibit No.	Description
31.1	Certification of Chief Executive Officer required by Securities and Exchange Commission Rule 13a-14(a) or 15d-14(a) (filed herewith).
31.2	Certification of Chief Financial Officer required by Securities and Exchange Commission Rule 13a-14(a) or 15d-14(a) (filed herewith).
32.1	Certification pursuant to 18 U.S.C. Section 1350 (filed herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* *Management contract or compensatory plan or arrangement required to be filed as an Exhibit to this Report.*