

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

PRECISION CASTPARTS CORP

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SIC: **3320** Iron & steel foundries

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark one)

S ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended April 1, 2012

or

£ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period From _____ to _____

Commission File Number 1-10348

PRECISION CASTPARTS CORP.

(Exact name of registrant as specified in its charter)

Oregon

(State or other jurisdiction of incorporation or organization)

93-0460598

(I.R.S. Employer Identification No.)

4650 S.W. Macadam Ave., Suite 400

Portland, OR

(Address of principal executive offices)

97239-4262

(Zip Code)

Registrant's telephone number, including area code: (503) 946-4800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Common Stock, without par value

New York Stock Exchange

Series A Preferred Stock Purchase Rights

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of common equity held by non-affiliates of the Registrant as of October 2, 2011, was \$22,408,661,685.

As of the close of business on May 17, 2012, the Registrant had 145,312,030 shares of Common Stock, without par value, outstanding. Portions of the Registrant's Proxy Statement to be filed in connection with the 2012 Annual Meeting of Shareholders are incorporated by reference in Part III.

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PART I

ITEM 1. BUSINESS

Precision Castparts Corp. (“PCC”, “the Company”, or “we”), a worldwide manufacturer of complex metal components and products, provides high-quality investment castings, forgings and fasteners/fastener systems for critical aerospace and industrial gas turbine (“IGT”) applications. We also provide aerostructures for the aerospace industry; investment castings and forgings for general industrial, armament, medical and other applications; nickel alloys in all standard mill forms from large ingots and billets to plate, sheet, strip, tubing, bar and wire, as well as cobalt alloys, for the aerospace, chemical processing, oil and gas, pollution control and other industries; seamless pipe for coal-fired, industrial gas turbine, and nuclear power plants, as well as oil and gas applications; revert management solutions; fasteners for automotive and general industrial markets; specialty alloys for the investment casting industry; refiner plates, screen cylinders and other products for the pulp and paper industry; grinder pumps and affiliated components for low pressure sewer systems; critical auxiliary equipment and gas monitoring systems for the power generation industry; and metalworking tools for the fastener market and other applications.

Products and Markets

We manufacture complex metal components and products in three principal business segments: Investment Cast Products, Forged Products and Fastener Products. Each of these three business segments is described below.

Investment Cast Products

Our Investment Cast Products segment manufactures investment castings for aircraft engines, IGT engines, airframes, medical prostheses, armament, unmanned aerial vehicles and other industrial applications. The segment also provides alloys to PCC’s investment casting operations, as well as to other investment casting companies. The Investment Cast Products segment accounted for approximately 32 percent of our sales in fiscal 2012.

We are the market leader in manufacturing large, complex structural investment castings, and we are the leading manufacturer of airfoil investment castings used in jet aircraft engines. We manufacture investment castings for every jet aircraft engine program in production or under development by our key customers. We are also the market leader in manufacturing structural and airfoil investment castings for IGT and aeroderivative engines used for electric power generation and other applications, and we have expanded into the structural airframe and armament markets. In addition, we make investment castings for use in the medical prosthesis, satellite launch vehicle and general industrial markets.

Investment casting technology involves a technical, multi-step process that uses ceramic molds in the manufacture of metal components with more complex shapes, closer tolerances and finer surface finishes than parts manufactured using other casting methods. The investment casting process begins with the creation of a wax pattern of the part to be cast, along with wax gates and risers to create pathways through which molten metal can flow throughout the ceramic mold. A ceramic shell is then formed around the wax pattern, followed by melting and draining the wax from the shell. Finally, molten metal is poured into the shell, which is removed after the metal cools, and the part undergoes final processing and inspection.

Because of the complexity of the manufacturing process and the application of proprietary technologies, we are currently one of the few manufacturers that can consistently produce the largest, complex structural investment castings in quantities sufficient to meet our customers’ quality and delivery requirements. Our emphasis on low-cost, high-quality products and timely delivery has enabled us to become the leading supplier of structural and airfoil castings for jet aircraft and IGT engines and to expand into the structural airframe and armament markets.

The commercial aerospace market cycle is a critical determinant of demand for our precision investment casting products. Our aerospace sales are currently consistent with commercial aircraft production rates and are expected to increase steadily as base rates ramp further over the next few years, along with an acceleration in Boeing 787 production.

Large jet aircraft engines are manufactured by a small number of suppliers, including General Electric (“GE”), Pratt & Whitney (a division of United Technologies Co.), Rolls-Royce and several joint venture partners. With this highly concentrated and sophisticated customer base, we believe a high level of customer service and strong, long-term customer relationships will continue to be important to achieving our goals. We have been supplying castings for jet engines to GE for more than 45 years, and we have been supplying Pratt & Whitney with castings for its jet engines for more than 35 years. In addition, we have supplied small structural investment castings to Rolls-Royce for approximately 30 years and large structural castings for approximately 25 years, most recently for use in its Trent series

of jet aircraft engines. As we have been able to cast larger and more complex parts, manufacturers of large jet aircraft engines have made increasing use of our structural castings.

Aerospace Structural Castings

Our structural castings business manufactures the largest diameter stainless steel, nickel-based superalloy and titanium investment castings in the world, as well as a variety of medium and small structural castings. These castings are stationary components that form portions of the fan, compressor, combustor and turbine sections of a jet aircraft engine, where strength and structural integrity are critical. Structural investment castings are sold primarily as original equipment to jet aircraft engine manufacturers.

We believe that trends in the manufacturing of aircraft jet engines will continue to increase our revenue per engine. As the design of new generation aircraft engines has emphasized increased thrust, higher fuel efficiency and reduction of noise and exhaust emissions, engine operating temperatures and pressures have increased. These conditions require the use of engine parts made of alloys that are able to withstand extreme operating conditions and provide an optimum strength-to-weight ratio. Many of these alloys are particularly suited for use in the investment castings we manufacture. In addition, titanium, a metal with a lower melting temperature than stainless steel or superalloys, is used in all but the hottest parts of the engine because of its considerable weight savings. Titanium is an exceptionally difficult metal to cast because of its reaction with other elements. However, we have developed the advanced technology and manufacturing processes to cast large, complex investment castings in titanium alloys. Many new generation engines, which are expected to be built through the next decade and beyond, make significantly greater use of our products than did previous engine designs.

We have also expanded into the structural airframes market through the production of components manufactured primarily from titanium and aluminum alloys. Aircraft manufacturers have shown substantial interest in using investment castings for airframe applications such as titanium aileron and flap hinges, pylons (engine mounts), heat shields, wing spars and wing ribs, as well as aluminum alloy nacelle segments (thrust reversers), cascades, aircraft access doors, electronic boxes and pump housings for hydraulic and fuel systems.

Aerospace Airfoil Castings

We manufacture precision cast airfoils, such as the stationary vanes and rotating blades used in the turbine section of jet aircraft engines. This part of the engine is considered the “hot section,” where temperatures may exceed 2,400 degrees Fahrenheit. These conditions require use of special nickel-based superalloys and state-of-the-art casting techniques to manufacture airfoil castings with internal cooling passages that enable the airfoils to operate in an environment with temperatures higher than the melting point of the metal of which they are made.

We use various casting technologies to manufacture turbine airfoils. A conventional casting process enables us to produce equiaxed airfoil castings, in which the metal grains are oriented randomly throughout the casting. A more advanced process enables us to produce directionally solidified (“DS”) airfoil castings, in which the metal grains are aligned longitudinally. This alignment decreases the internal stress on the weakest portion of a metal part where the various grains adjoin, thereby providing increased strength and improved efficiencies in engine performance over equiaxed parts. An even more advanced process enables us to produce single crystal (“SX”) airfoil castings, which consist of one large superalloy crystal without grain boundaries. SX castings provide greater strength and performance characteristics than either equiaxed or DS castings, as well as longer engine life. In addition, we have developed a process to manufacture titanium aluminide blades, the first use of lightweight titanium in the hot section of an aircraft engine. These airfoils are being incorporated into the GenX engine for the Boeing 787.

As engines grow to generate greater thrust for larger aircraft, the turbine sections of these engines must work harder and burn hotter. As a result, the major aircraft engine manufacturers have increasingly been designing their engines with a greater number of DS and SX blades. The DS and SX cast airfoils we produce, with their complex cooling passages, have been instrumental in enabling these engines to operate at higher temperatures. SX cast airfoils are used in both new and redesigned engines where performance requirements are higher.

The demand for aerospace airfoil castings is determined primarily by the number and type of engines required for new jet aircraft; the intervals between hot section maintenance, which are driven by engine cycles (takeoffs and landings); and the inventory levels of replacement parts maintained by the principal jet aircraft engine manufacturers, repair centers and airlines. A jet engine’s airfoil components have shorter useful lives than structural investment castings and are replaced periodically during engine maintenance. As a result, our sales of aerospace airfoil castings are less affected by the cyclical patterns of the aerospace industry than are our sales of structural investment castings. The timing for replacement of aerospace airfoil castings principally depends on engine cycles and the expected life of the airfoil casting. We believe that approximately half of our sales of airfoil castings used in aircraft turbine engines are replacement parts.

IGT Castings

In fiscal 1995, we began to manufacture investment castings for IGT engines. Due to contractual gains over the past several years, our market share has increased significantly, and we are now the leading supplier of investment castings used in IGT engines. Since the worldwide recession, beginning in the fall of 2008, IGT demand has been relatively weak due to the cancellation or delay of major infrastructure projects. However, by the end of fiscal 2011, aftermarket shipments began to pick up, and original equipment manufacturer ("OEM") activity began to pick up slightly in fiscal 2012, which should continue into next year as OEMs' shipment schedules favor turbines with higher PCC content. IGTs have been the most preferred power source over the past 20 years, and OEMs expect that trend to continue due to the availability of natural gas, overall efficiency of operation, and relative speed/ease of installation. In addition to IGT components, we manufacture structural and airfoil castings for aeroderivative gas turbine engines, which are also used for power generation, as well as for other commercial and military land and marine-based applications.

IGT manufacturers have significantly improved the efficiency and reduced the emissions profiles of industrial gas turbines, principally by incorporating advanced components in new engines as well as in refurbished and upgraded turbines in the field. We have leveraged our DS and SX airfoil casting knowledge from the aerospace market into the IGT market to produce blades and vanes that are better able to withstand the extreme heat and stresses of new higher-temperature gas turbines. IGT engines are built with investment castings that are similar, but generally larger, than the blades and vanes we manufacture for the aerospace market. Because of their size, IGT airfoils are usually more difficult to cast than smaller aerospace airfoils with the same properties.

Since industrial gas turbines are primarily used in electrical power generation, castings sales for new IGT engines are tied to the growth of global electricity consumption, while demand for replacement parts depends on the size and utilization rate of the installed base.

Other Investment Casting Products

Our strategy for profitable growth also includes the pursuit of other opportunities for our existing investment casting technology. We have expanded the application of our investment casting technology in the medical prosthesis, unmanned aerial vehicles ("UAV"), and general industrial markets by manufacturing such products as artificial hips and knees, landing gear struts and engine inlets for UAVs and impellers for pumps and compressors. In addition, we manufacture large titanium components for armament systems, including the BAE lightweight howitzer.

Internal Alloy-Making Capability

Operations within our Investment Cast Products segment produce alloys primarily used by PCC and other manufacturers of investment castings. Several of these alloys are patented and trademarked, specifically formulated for the casting of directionally solidified and single crystal airfoils that operate in high-temperature, high-stress engine environments. This operation supplements our other ingot-making furnaces located in Portland, Oregon, and Minerva, Ohio, and our internal supply of nickel-based alloy for investment casting is managed through this group of facilities. The alloys produced also serve such diverse markets as medical, recreational and general industrial.

Forged Products

We are among the leading manufacturers of forged components for the aerospace and power generation markets. Forged Products' aerospace and IGT sales are primarily derived from the same large engine customers served by the Investment Cast Products segment, with additional aerospace sales to manufacturers of landing gear and airframes. Therefore, the dynamics of the aerospace and IGT markets, as described in the Investment Cast Products section above, are virtually the same for Forged Products. In addition, we manufacture high performance nickel-based alloys used to produce forged components for aerospace and non-aerospace markets, which include products for the power generation and oil and gas industries, and other products for oil and gas, chemical processing, pollution control and other industrial applications. The Forged Products segment accounted for approximately 44 percent of our sales in fiscal 2012.

Forged Components

We manufacture forged components from sophisticated titanium and nickel-based alloys for jet engines, including fan discs, compressor discs, turbine discs, seals, spacers, shafts, hubs and cases. Our airframe structural components, made of titanium, steel and other alloys, are used on both commercial and military aircraft and include landing gear beams, bulkheads, wing structures, engine mounts, struts and tail flaps and housings. We also produce a variety of mechanical and structural tubular forged products from steel and nickel, primarily in the form of extruded, seamless pipe and tubulars, for the domestic and international energy markets, which include coal, industrial gas turbine, and nuclear power plants, co-generation projects,

retrofit and life-extension applications, as well as nickel casing and tubulars for the oil and gas industry. For naval defense applications, we supply forged components for propulsion systems on nuclear submarines and aircraft carriers, as well as forgings for pumps, valves and structural applications.

Our forging segment, which employs seven different manufacturing processes, involves heating high-temperature nickel alloys, titanium or steel and then shaping them through pressing or extrusion, using hydraulic and mechanical presses with capacities ranging up to 55,000 tons. The process employed is determined based on the raw materials and the product application. The seven manufacturing processes are summarized below:

Open-Die Forging—In this process, the metal is pressed between dies that never completely surround the metal, thus allowing it to be observed during the process. This manufacturing method is used to create relatively simple, preliminary shapes to be processed further by closed-die forging.

Closed-Die Forging—Closed-die forging involves pressing heated metal into shapes and sizes determined by machined impressions in specially prepared dies that completely surround the metal. This process allows the metal to flow more easily within the die cavity and thus produces forgings with superior surface finish and tighter tolerances, with enhanced repeatability of the part shape.

Hammer Forging—This form of closed-die forging uses multiple impact blows to shape a component between specially contoured dies. Forging hammers can be classified into two main types: single action and counterblow. Our counterblow hammers, which couple upper and lower ram movement to produce the impact forces required for large components, can offer improved near-net-shape capability compared to conventional press forging. Hammer forging is one of the oldest forging processes; however, computer-controlled technology has enabled the process to meet modern manufacturing requirements.

Conventional/Multi-Ram—The closed-die, multi-ram process, which is employed on our 20,000 and 30,000 ton presses, enables us to produce complex forgings with multiple cavities, such as valve bodies, in a single heating and pressing cycle. Dies may be split on either a vertical or a horizontal plane, and shaped punches may be operated by side rams, piercing rams or both. This process also optimizes grain flow and uniformity of deformation and reduces machining requirements.

Isothermal Forging—Isothermal forging is a closed-die process in which the dies are heated to the same temperature as the metal being forged, typically in excess of 1,900 degrees Fahrenheit. Because the dies may oxidize at these elevated temperatures, this process is performed in a vacuum or inert gas atmosphere. Our isothermal press produces near-net shape components, requiring less machining by our customers.

Extrusion—The extrusion process is capable of producing thick-wall, seamless pipe, with outside diameters of up to 48 inches and a wall thickness from 0.5 inches up to 7 inches for applications in the power generation and oil and gas industries, including main steam lines, hot re-treat lines, and other high-stress/high-temperature fluid transmission systems. Our 35,000-ton vertical extrusion press is one of the largest and most advanced in the world. In addition to solid metals, powdered materials can be compacted and extruded into forging billets with this press.

Ring Rolling—The radial ring-rolling process thins the wall thickness and thus enlarges the inside and outside diameter of a rough ring blank, which is generally made by upsetting and piercing a solid piece of metal in an open or closed-die forging press. In the ring-rolling process, tonnage is applied to the wall of the blank between a mandrel on the inside diameter and a work-roll on the outside diameter. The outer work-roll rotates the ring and progressively reduces the wall thickness. In radial-axial ring rolling, two additional rollers apply tonnage on the end faces of the ring to control the ring height.

On July 14, 2011, we acquired the rings operations of Unison Engine Components ("Tru-Form") from GE Aviation, an operating unit of GE. Tru-Form is a leader in the manufacture of flash-welded and cold-rolled rings for jet engine and gas turbine applications, including spacer rings, combustion casings and liners, low pressure turbine casings, and fan cases. The innovative Tru-Form cold-rolling process produces a near-net-shaped part from a flash-welded ring, reducing material and machining costs and enabling the production of more complex part shapes. Tru-Form operations are located in Wilkes-Barre and Mountaintop, Pennsylvania, and Tyseley, England.

On July 22, 2011, we acquired the assets of the Rollmet business ("Rollmet") from Rockwell Collins. Rollmet has developed a unique cold-roll extrusion process to manufacture precision thin wall pipe across a range of materials, including nickel alloys, stainless steel, aluminum, and carbon steel. Rollmet's products are utilized in a variety of oil and gas applications, as well as motor cases for missile programs. Rollmet operates one facility in Irvine, California.

We believe that we are the world leader in producing forged rotating components for use in jet aircraft engines. These parts are forged from billets (ingots converted in our cogging and extrusion presses) and from metal powders (primarily nickel alloys) that are produced, consolidated and extruded into billets entirely in our own facilities. In addition, we purchase billets from outside metal suppliers.

High-Performance Forging Alloys

We believe that we are the world's largest and most diversified producer of high-performance nickel-based alloys, supplying more than 5,000 customers. Our alloys, which provide high-temperature strength and corrosion resistance, as well as

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toughness and strength in certain embrittling environments, are principally used to manufacture forged components required in the most technically demanding industries and applications. Power and commercial and military aerospace represent the largest markets served; other markets served include high performance, nickel-based alloys for oil & gas, chemical & petrochemical processing, thermal processing, electrical and heating elements, and marine and welding applications.

Our alloying processes utilize electric arc, air induction and vacuum induction melting furnaces, while a few specialized alloys are made using a mechanical alloying process. Refining facilities include furnaces for argon-oxygen-decarburization, vacuum arc remelting and electroslag remelting. Our major hot finishing processes include rotary forging, plate rolling, bar rolling, press forging and extrusion of seamless tubulars and shapes. Cold finishing processes include cold rolled sheet and strip, tube and pipe pilgering, cold drawing of bar and wire, and cold drawing and rolling of pipe and tubulars. We produce nickel alloys in all standard mill forms from large ingots and billets to plate, sheet, strip, tubing, bar and wire, the latter of which includes core and filler wires for welding products. Our alloys are classified into unique families recognized worldwide and are sold under such trademarks as INCONEL®, INCOLOY®, MONEL®, NIMONIC®, UDIMET®, BRIGHTRAY® and NILO®.

Revert Management

We are the market leader in providing nickel superalloy and titanium revert management solutions for the aerospace, oil and gas, and IGT markets. Revert includes metal chips, casting gates, bar ends, forging flash and other byproducts from forging, casting, and fastener manufacturing processes that can be re-melted and reused. Our infrastructure and capabilities create a closed loop system for the retention and reuse of internally-generated revert. We also provide metallurgical process solutions and services worldwide for our use and for other companies that require the melting and processing of specialty alloys. Major markets include specialty alloy producers and foundries, powder metal manufacturers and other industries with special metallurgical requirements.

Fastener Products

We are a leading developer and manufacturer of highly engineered fasteners, fastener systems, aerostructures, and precision components, primarily for critical aerospace applications. A large part of our Fastener Products sales come from the same aerospace customer base served by our Investment Cast Products and Forged Products segments. In this regard, Fastener Products is subject to many of the same market forces as these other two segments. The balance of the segment's sales is derived from construction, automotive, heavy truck and general industrial markets, including farm machinery, mining and construction equipment, shipbuilding, machine tools, medical equipment, appliances and recreation. The Fastener Products segment accounted for approximately 24 percent of our sales in fiscal 2012.

Fastener manufacturing generally begins with metal alloy wire or bar of various diameters, which is then generally cut into fastener blanks of prescribed lengths, formed using highly engineered tools into complex head shapes and dimensional configurations, heat-treated to desired properties, and then thread-rolled to meet exacting customer requirements.

Our aerospace fasteners and related components are manufactured from a variety of nickel, titanium, aluminum and steel alloys and are used on airframes, jet engines, aircraft wheels and brakes, landing gear assemblies, floor boards, and hydraulic systems. They are found in such flight- and safety-critical areas as the wing-to-fuselage, the stabilizers-to-fuselage and the engine-to-wing joints on an aircraft, as well as the airfoil-to-disc and disc-to-shaft connections on a jet engine. These fasteners and related components are not only incorporated in new aircraft builds but are also integrally involved in the maintenance and replacement cycle, particularly in aircraft engine and wheel and brake applications. The product line includes a variety of bolts, sleeve bolts, nuts, nut plates, latches, expandable diameter fasteners, quick release pins, hydraulic fittings, bushings, inserts, collars, and other precision components, including but not limited to metallic and composite assemblies, and precision machined components for airframe applications. While the fasteners, aerostructures and related components are predominantly produced to demanding customer designs, we continue to be active in developing trademarked alloys for applications requiring high strength, elevated temperature, corrosion resistance and/or lighter weight. These include AEREX®, MULTIPHASE®, MP35N® and MP159® high-temperature nickel-based alloys.

We have also developed a variety of fasteners, related components and installation tools for use in aerospace and industrial applications requiring proven strength, close dimensional tolerances and high reliability. These technically advanced proprietary products are marketed under the brand names of AVILOC®, BALL-LOK®, CHERRYBUCK®, CHERRYMAX®, CHERRYLOCK®, E-NUT®, FLEXLOC®, FORCEMATE®, FORCETEC®, GROMEX®, HI-LIFE®, MAKE FROM SOLID™, MAXIBOLT®, STA-LOK®, TELLEP®, and TUKLOC®. We also hold licenses to use various well-recognized trademarks and technology in the manufacture of our fasteners and related components. These licensed trademarks include HI-LITE®, HI-LOK®, HI-TIGUE®, TORX®, TORX-PLUS®, TAPTITE®, MORTORQ® and MAThread®.

On August 9, 2011, we acquired Primus International ("Primus") for approximately \$900 million in cash. Primus is a

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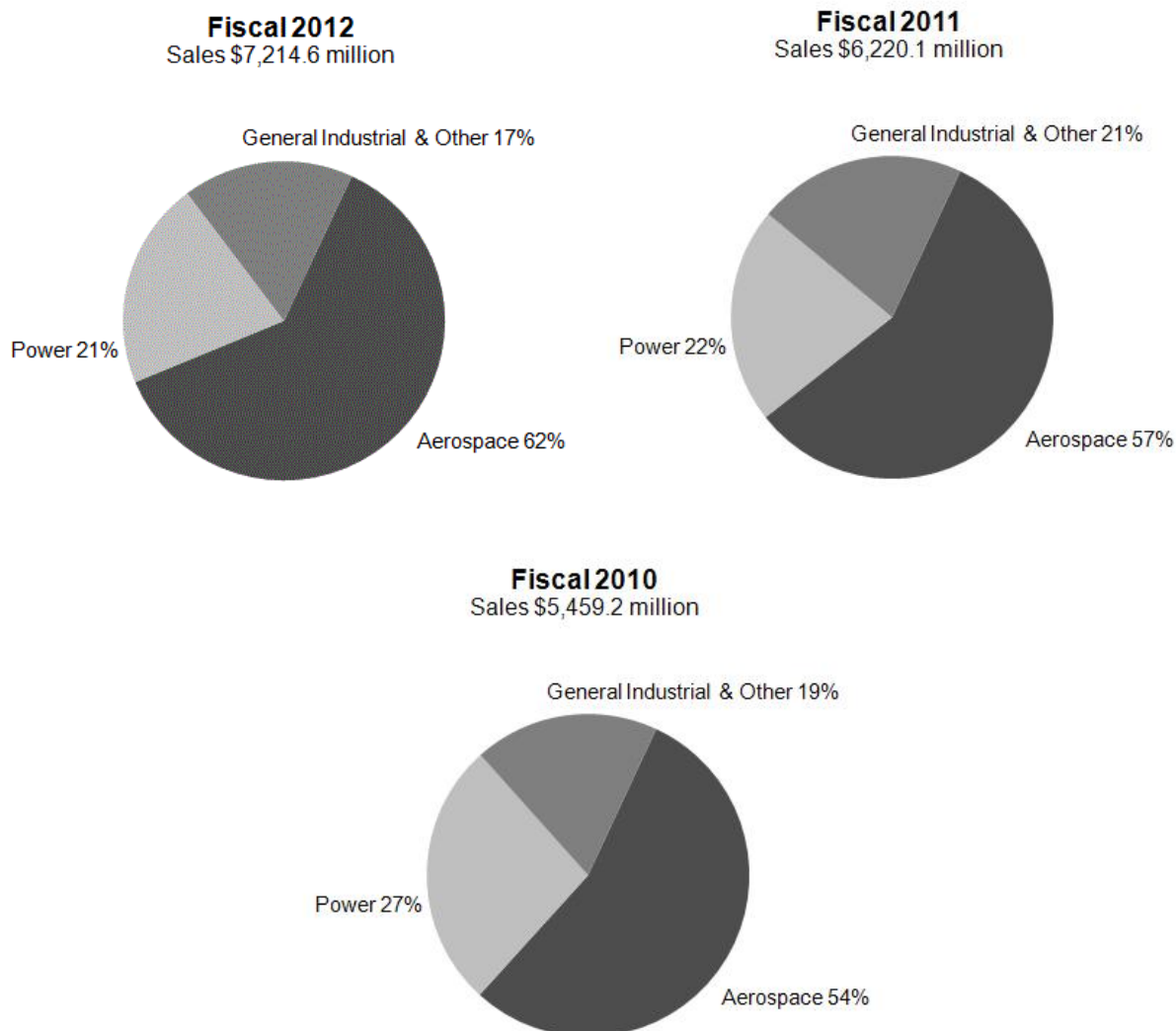
leading supplier of aerostructures and complex components and assemblies to the global aerospace industry, including swaged rods, and machined aluminum and titanium components. Product applications include wing, fuselage and engine-related assemblies, passenger and exit doors, and actuation and flight control assemblies. Headquartered in Bellevue, Washington, Primus operates five manufacturing locations, including three in the Seattle, Washington area, as well as Tulsa, Oklahoma and Suzhou, China.

On October 4, 2011, we acquired the assets of PB Fasteners ("PB") located in Gardena, California. PB further strengthens our fastener product line with its sleeve bolt technology on the Boeing 787 and other composite body aircraft.

The Fastener Products segment also includes businesses that produce refiner plates and screen cylinders for use in the pulp and paper industry; grinder pumps and affiliated components for low pressure sewer systems for residential and commercial applications and critical auxiliary equipment and gas monitoring systems utilized in the power generation industry; critical engineered fasteners and cold formed parts for automotive and general industry; and a broad range of thread-rolling dies, trimming dies, pins and steel and carbide forging tools for fastener production, principally for aerospace, automotive and general industrial and other applications.

Sales and Distribution

We sell our complex metal components and products into three major market areas: aerospace, power, and general industrial and other. The percentage of sales to these markets is shown below for fiscal 2012, 2011 and 2010.



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Our sales to the aerospace market of \$4,459.6 million in fiscal 2012 increased 25 percent from \$3,572.0 million in fiscal 2011. Sales to the aerospace market as a percentage of total net sales increased from 57 percent in fiscal 2011 to 62 percent in fiscal 2012, principally reflecting solid base aerospace growth and sales from acquired businesses. Our sales to the aerospace market of \$3,572.0 million in fiscal 2011 increased 19 percent from \$2,991.0 million in fiscal 2010. Sales to the aerospace market as a percentage of total net sales increased from 54 percent in fiscal 2010 to 57 percent in fiscal 2011, largely due to recoveries from aerospace customer destocking coming to an end and a decline in the extruded pipe market.

Our sales of investment castings products and forged products are made through direct sales personnel located in each business operation and through field sales representatives located at U.S. and international locations near our major customers, as well as through distributors. Our fastener products and services are sold through a worldwide network of distributors and independent sales representatives and by a direct sales and marketing staff. Industrial metalworking tools and other metal products are sold by both internal sales forces and sales representatives in the U.S., Europe, Asia, Australia and Latin America. Due to the sophisticated nature of our products, our sales efforts require technical personnel to work closely with customers to identify and assist in the development of new and modified products and to provide other services that are necessary to obtain new and repeat orders.

For information on revenue to external customers, profit or loss and total assets for each segment, refer to Part II, Item 8. Financial Statements and Supplementary Data.

Major Customers

Net direct sales to General Electric Company were 15.4 percent, 12.5 percent and 14.0 percent of total sales in fiscal 2012, 2011 and 2010, respectively, as follows:

	2012	2011	2010
Investment Cast Products	\$ 558.9	\$ 523.2	\$ 494.5
Forged Products	464.2	224.5	243.6
Fastener Products	85.1	27.5	26.7
	\$ 1,108.2	\$ 775.2	\$ 764.8

No other customer directly accounted for more than 10 percent of total sales; however, Boeing, Airbus, Rolls-Royce and United Technologies are also considered key customers, and the loss of their business could have a material adverse effect on our financial results.

Backlog

The backlog of unfilled orders believed to be firm at the end of each of our last three fiscal years was \$5.9 billion as of April 1, 2012, \$4.4 billion as of April 3, 2011, and \$3.9 billion as of March 28, 2010. The majority of the backlog is for sales to aerospace and power market customers in the Investment Cast Products, Forged Products and Fastener Products segments. The increase in backlog during fiscal 2012 reflects growth in commercial aerospace and power markets as a result of increased build rates, prompting our customers to place their orders earlier. The increase in backlog during fiscal 2011 reflects increases in customer demand, creating longer lead times as facilities are operating closer to capacity levels. Approximately 80 percent of our backlog is expected to be filled within the 2013 fiscal year.

The majority of sales to customers are made on individual purchase orders generated from long-term agreements. Most of our orders are subject to termination by the customer upon payment of the cost of work in process, plus a related profit factor. Historically, we have not experienced significant order cancellations, although we periodically receive requests for delays in delivery schedules.

Competition

We are subject to substantial competition in all of the markets we serve. Components and products similar to those we make can be produced by competitors using either the same types of manufacturing processes or other forms of manufacturing. Although we believe our manufacturing processes, technology and experience provide advantages to our customers, such as high quality, competitive prices and physical properties that often meet more stringent demands, alternative forms of manufacturing can be used to produce many

of the components and products we make. Despite intense competition, we believe we are the number one or two supplier in most of our principal markets. Several factors, including long-standing customer relationships, technical expertise, state-of-the-art facilities and dedicated employees, aid us in maintaining our competitive advantages.

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In the Investment Cast Products segment, our principal competitor is Howmet, a subsidiary of Alcoa Inc. Howmet produces superalloy, titanium, stainless steel and aluminum investment castings principally for the aerospace and IGT markets. We believe that Howmet is capable of producing investment castings comparable to all but the largest and most complex of our structural investment castings. We also believe Howmet has the financial and technical resources to produce structural castings as large and complex as those produced by us, should they decide to do so. In addition, Pacific Cast Technologies, a subsidiary of Allegheny Technologies, Inc., manufactures large titanium investment castings for jet engine and airframe applications. Many other companies throughout the world also produce superalloy, titanium, stainless steel and aluminum investment castings, and some of these companies currently compete with us in the aerospace and other markets. Others are capable of competing with us if they choose to do so.

In the Forged Products segment, our largest competitors are Ladish Co., a subsidiary of Allegheny Technologies, Inc., Fortech, S.A. and Thyssen AG for aerospace turbine products, Alcoa Inc. and Firth Rixson Limited for aerospace structural products, Vallourec & Mannesmann Tubes and Sumitomo Corporation for energy products and Allegheny Technologies, Inc., Carpenter Technology Corporation, Haynes International, Inc., and Firth Rixson Limited for nickel-based alloys and superalloys. We also face increased competition from international companies as customers seek lower cost sources of supply.

International competition in the forging and casting processes may also increase in the future as a result of strategic alliances among aircraft prime contractors and foreign companies, particularly where “offset” or “local content” requirements create purchase obligations with respect to products manufactured in or directed to a particular country. Competition is often intense among the companies currently involved in the industry. We continue to strive to maintain competitive advantages with high-quality products, low-cost manufacturing, excellent customer service, and expertise in engineering and production.

Our Fastener operations compete with a large number of companies based primarily on technology, price, service, product quality and performance. Of these companies, we consider Alcoa Inc. and LISI to be our leading competitors. We believe that we maintain our strong market position through our high-quality product performance and service to our customers.

Research and Development

We have departments involved in research and development in all three of our reportable segments. The research and development effort at these operations is directed at the technical aspects of developing new and improved manufacturing processes. Expenditures for research and development activities at these departments amounted to \$17.8 million in fiscal 2012, \$17.1 million in fiscal 2011, and \$25.6 million in fiscal 2010. A substantial amount of our technological capability is the result of engineering work and experimentation performed on the shop floor in connection with process development and production of new parts. This engineering work and experimentation are charged to the cost of production and are not included in research and development expenditures.

Employees

At April 1, 2012, we had approximately 21,500 employees, including nearly 7,550 employees in the Investment Cast Products segment, approximately 5,900 employees in the Forged Products segment, approximately 7,200 employees in the Fasteners segment, approximately 130 employees in corporate functions, and approximately 720 employees in discontinued operations. Approximately 22 percent of our employees are affiliated with unions or covered by collective bargaining agreements. We expect to negotiate 12 collective bargaining agreements affecting approximately 11 percent of the workforce during fiscal 2013. Management believes that labor relations in the Company have generally been satisfactory.

Patents and Trademarks

From time to time, we seek U.S. and foreign patent protection on certain of our processes and products. We have also federally registered several of our trademarks in the U.S. and foreign countries. We do not view patents or trademarks as materially important to our business as a whole. We also have rights and obligations under various license agreements. We receive no significant royalty income from patents.

Materials & Supplies

We use a number of raw materials in our products, including certain metals such as nickel, titanium, cobalt, tantalum and molybdenum, which are found in only a few parts of the world. These metals are required for the alloys used or manufactured in our investment casting, forged and fastener product segments. The availability and costs of these metals may be influenced by private or

governmental cartels, changes in world politics, labor relations between the metal producers and their work forces, unstable governments in exporting nations, and inflation. Similarly, supplies of the tool-grade steel we use may also be subject to variations in availability and cost. We have escalation clauses for nickel and other metals in certain of our long-term contracts with major customers, and we employ “price-in-effect” metal pricing in our alloy production businesses to lock-in the

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current cost of metal at the time of production or shipment. We also enter into long-term supply agreements to fix the purchase price of strategic raw materials. Shortages of and price increases for certain raw materials we use have occurred in the past and may occur in the future. Future shortages or price fluctuations in raw materials could have a material adverse effect on us.

Government Regulations

Certain of our products are manufactured and sold under U.S. government contracts or subcontracts. Consequently, we are directly and indirectly subject to various federal rules, regulations and orders applicable to government contractors. Violation of applicable government rules and regulations could result in civil liability, in cancellation or suspension of existing contracts or in ineligibility for future contracts or subcontracts funded in whole or in part with federal funds.

International Operations

We purchase products from and supply products to businesses located outside the U.S. We have also been expanding our international activities during the past several years, primarily through acquisitions and the development of foreign subsidiaries. This expansion is part of our strategy to acquire and develop businesses that complement our core competencies, provide low-cost manufacturing, have strong growth prospects and maintain leading positions in their respective market niches. Certain risks are inherent in international operations, including the risk of government-financed competition, changes in trade policies, tariff regulations, the relative stability of certain foreign currencies and difficulties in obtaining U.S. export and import licenses. Information with respect to sales and assets by geographic location is included in Part II, Item 8. Financial Statements and Supplementary Data.

Environmental Compliance

We are subject to various federal, state and foreign environmental laws concerning, among other things, water discharges, air emissions, waste management, toxic use reduction and environmental cleanup. Environmental laws and regulations continue to evolve and it is likely we will be subject to increasingly stringent environmental standards in the future, particularly under air quality and water quality laws and standards related to climate change issues, such as reporting of greenhouse gas emissions. It also is likely that we will be required to make additional expenditures, which could be significant, relating to environmental matters on an ongoing basis. We also own properties, or conduct or have conducted operations at properties, where hazardous materials have been used for many years, including during periods before careful management of these materials was required or generally believed to be necessary. Consequently, we are subject to environmental laws that impose liability for historical releases of hazardous substances.

Our financial statements include estimated liabilities for future costs arising from environmental issues relating to our properties and operations. At April 1, 2012, we had accrued environmental liabilities of approximately \$71.4 million. We believe these liabilities are adequate to cover the cost of remedial measures that may eventually be required by environmental authorities with respect to known environmental matters. Our liabilities represent our best estimate of probable future obligations for the investigation and remediation of known contaminated sites. The liabilities include potential costs associated with asserted and unasserted claims. Our actual future expenditures, however, relating to compliance and cleanup of environmental conditions at our properties cannot be conclusively determined. The estimate of our environmental costs is based on currently available facts, present laws and regulations and current technology and take into consideration our prior experience in site investigation and remediation, the data available for each site, and the professional judgment of our environmental specialists and consultants. Although recorded liabilities include our best estimate of all probable costs, our total costs for the final settlement of each site cannot be predicted with certainty due to the variety of factors that make potential costs associated with contaminated sites inherently uncertain, such as: the nature and extent of site contamination, available remediation alternatives, the extent to which remedial actions will be required, the time period over which costs will be incurred, the number and economic viability of other responsible parties, and whether we have any opportunity of contribution from third parties, including recovery from insurance policies. Further, sites that are in the early stages of investigation are subject to greater uncertainties than mature sites that are close to completion. Although the sites we have identified vary across the spectrum, approximately half of our sites could be considered at an early stage of the investigation and remediation process. Therefore, our cost estimates, and our accruals associated with those sites, are subject to greater uncertainties. Environmental contingent liabilities are often resolved over a long period of time and the timing of expenditures depends on a number of factors that vary by site. We expect that we will expend present accruals over many years and that remediation of all currently known sites will be completed within 30 years. While it is possible that a significant portion of the accrued costs as of April 1, 2012 may be paid out over the next ten years, we anticipate that no individual site will be considered to be material.

We have been named as a potentially responsible party ("PRP") at sites identified by the Environmental Protection Agency ("EPA") and state regulatory agencies for investigation and remediation under the Comprehensive Environmental Response,

Compensation and Liability Act (“CERCLA”) and similar state statutes. Under common law, as applied in the environmental remediation context, PRPs may be jointly and severally liable, and therefore the Company may be potentially

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liable to the government or third parties for the full cost of remediating contamination at our facilities or former facilities or at third-party sites where we have been designated a PRP. In estimating our current liabilities for environmental matters, we have assumed that we will not bear the entire cost of remediation of every site to the exclusion of other PRPs who may also be liable for contributing to the cost of cleanup. We are a party to various cost-sharing arrangements with other PRPs at certain sites. Our estimates of current liabilities factor in these cost-sharing arrangements and an assessment of the likelihood that such parties will fulfill their obligations at such sites. In the unlikely event that we are required to fully fund the remediation of a site, the statutory framework would allow us to pursue rights of contribution from other PRPs. We are identified as a PRP at the following federally designated Superfund sites: Lipari Landfill, Gloucester, New Jersey; Boarhead Farms, Bridgeton, Pennsylvania; Operating Industries, Monterey Park, California; Casmalia Resources Site, Casmalia, California; Pasco Sanitary Landfill, Pasco, Washington; Quanta Resources Corp., Edgewater, New Jersey; and Peterson-Puritan Site, Cumberland, Rhode Island. Generally, these Superfund sites are mature and almost all of the sites are in the remedial implementation phase and, as a consequence, are subject to less uncertainty than newly discovered sites. These Superfund sites constitute approximately \$1.0 million, or 1 percent, of our current environmental liabilities.

We have notified our insurers of potential environmental cleanup liabilities at various facilities, including the Superfund sites identified above, and have asserted that we are entitled to recover the defense and indemnity costs incurred, and to be incurred, under certain historic insurance policies. Our accruals include our best estimate of all probable costs, without reduction for anticipated recovery from insurance or third parties unless collection is probable. We have also asserted indemnity claims against third-parties for certain sites, and we expect to recover a portion of our losses with respect to these sites.

The Financial Accounting Standards Board ("FASB") issued guidance on asset retirement and environmental obligations that clarifies the term conditional asset retirement obligation and requires a liability to be recorded if the fair value of the obligation can be reasonably estimated. Asset retirement obligations covered by this guidance include those for which an entity has a significant obligation to perform an asset retirement activity, however the timing or method of settling the obligation are conditional on a future event that may not be within the control of the entity. This guidance also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

In accordance with the asset retirement and environmental obligations guidance, we record all known asset retirement obligations for which the liability can be reasonably estimated. Currently, we have identified known asset retirement obligations associated with environmental contamination at two of our manufacturing facilities. We have not recognized a liability under this guidance for these retirement obligations because the fair value of remediation at these sites cannot be reasonably estimated since the settlement date is unknown at this time. The settlement date is unknown because remediation of these sites is not required until production ceases, and we have no current or future plans to cease production. These asset retirement obligations, when estimable, are not expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or business.

Forward-looking Statements

Information included within this Form 10-K describing the projected growth and future results and events constitutes forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results in future periods may differ materially from the forward-looking statements because of a number of risks and uncertainties, including but not limited to fluctuations in the aerospace, power generation, and general industrial cycles; the relative success of our entry into new markets; competitive pricing; the financial viability of our significant customers; the concentration of a substantial portion of our business with a relatively small number of key customers; the impact on the Company of customer or supplier labor disputes; demand, timing and market acceptance of new commercial and military programs, including the Boeing 787; the availability and cost of energy, raw materials, supplies, and insurance; the cost of pension and postretirement medical benefits; equipment failures; product liability claims; relations with our employees; our ability to manage our operating costs and to integrate acquired businesses in an effective manner; misappropriation of our intellectual property rights; governmental regulations and environmental matters; risks associated with international operations and world economies; the relative stability of certain foreign currencies; the impact of adverse weather conditions or natural disasters; the availability and cost of financing; and implementation of new technologies and process improvements. Any forward-looking statements should be considered in light of these factors. We undertake no obligation to update any forward-looking information to reflect anticipated or unanticipated events or circumstances after the date of this document.

Available Information

Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, proxy statement, current reports on Form 8-K, and amendments to these reports filed with the Securities and Exchange Commission, as well as the annual report to shareholders, quarterly earnings releases, the Audit Committee Charter, the Nominating and Corporate Governance Committee Charter, the Compensation

Committee Charter, Corporate Governance Guidelines and the Code of Conduct may be received free of charge by calling Investor Relations at (503) 946-4850 or sending an email to info@precastcorp.com. This information may also be

downloaded from the PCC Corporate Center at www.precast.com.

ITEM 1A. RISK FACTORS

Our growth strategy includes business acquisitions with associated risks.

Our growth strategy includes the acquisition of strategic operations. In recent years, we have completed a number of acquisition transactions. We expect that we will continue to seek acquisitions of complementary businesses, products and technologies to add products and services for our core customer base and for related markets, and to expand each of our businesses geographically. The success of completed transactions will depend on our ability to integrate assets and personnel and to apply our manufacturing processes and controls to the acquired businesses. Although our acquisition strategy generally emphasizes the retention of key management of the acquired businesses and an ability of the acquired business to continue to operate independently, various changes may be required to integrate the acquired businesses into our operations, to assimilate new employees and to implement reporting, monitoring and forecasting procedures. Business acquisitions entail a number of other risks, including:

- inaccurate assessment of liabilities;
- entry into markets in which we may have limited or no experience;
- diversion of management's attention from our existing businesses;
- difficulties in realizing projected efficiencies, synergies and cost savings;
- decrease in our cash or an increase in our indebtedness and a limitation in our ability to access additional capital when needed; and
- risks associated with investments where we do not have full operational control.

Our failure to adequately address these acquisition risks could cause us to incur increased expenses or to fail to realize the benefits we anticipated from the transactions.

We operate in cyclical markets.

A significant portion of our revenues are derived from the highly cyclical aerospace and power generation markets. Our sales to the aerospace industry constituted 62 percent of our total sales in fiscal 2012. Our power sales constituted 21 percent of our total sales in fiscal 2012.

The commercial aerospace industry is historically driven by the demand from commercial airlines for new aircraft. The U.S. and international commercial aviation industries continue to face challenges arising from competitive pressures and fuel costs. Demand for commercial aircraft is influenced by airline industry profitability, trends in airline passenger traffic, the state of U.S. and world economies, the ability of aircraft purchasers to obtain required financing and numerous other factors including the effects of terrorism, health and safety concerns and environmental constraints imposed upon aircraft operators. The military aerospace cycle is highly dependent on U.S. and foreign government funding; however, it is also driven by the effects of terrorism, a changing global political environment, U.S. foreign policy, the retirement of older aircraft and technological improvements to new engines that increase reliability. Accordingly, the timing, duration and severity of cyclical upturns and downturns cannot be forecast with certainty. Downturns or reductions in demand could have a material adverse effect on our business.

The power generation market is also cyclical in nature. Demand for power generation products is global and is affected by the state of the U.S. and world economies, the availability of financing to power generation project sponsors, the political environments of numerous countries and environmental constraints imposed upon power project operators. The availability of fuels and related prices also have a large impact on demand. Reductions in demand for our power generation products could have a material adverse effect on our business.

We also sell products and services to customers in the automotive, chemical and petrochemical, medical, industrial process, and other general industrial markets. Each of these markets is cyclical in nature. Customer demand for our products or services in these markets may fluctuate widely depending upon U.S. and world economic conditions, the availability of financing and industry-specific factors. Cyclical declines or sustained weakness in any of these markets could have a material adverse effect on our business.

Our business is dependent on a small number of direct and indirect customers.

A substantial portion of our business is conducted with a relatively small number of large direct and indirect customers, including General Electric Company, United Technologies Corporation, Rolls Royce plc, and The Boeing Company. General Electric accounted for approximately 15 percent of our total sales for fiscal 2012. No other customer directly accounted for more than 10 percent of total sales; however, Boeing, Airbus, Rolls Royce and United Technologies are also considered key customers. A financial hardship experienced by any one of these four customers, the loss of any of them, or a reduction in or

substantial delay of orders from any of them, could have a material adverse effect on our business.

Additionally, a significant portion of our aerospace products are ultimately used in the production of new commercial aircraft. There are only two primary manufacturers of large commercial aircraft in the world, Boeing and Airbus. A significant portion of our aerospace sales are dependent on the number of new aircraft built by these two manufacturers, which is in turn dependent on a number of factors over which we have little or no control. Those factors include the demand for new aircraft from airlines around the globe and factors that impact manufacturing capabilities such as the availability of raw materials and manufactured components, changes in the regulatory environment and labor relations between the aircraft manufacturers and their work forces. A significant interruption or slow down of the number of new aircraft built by aircraft manufacturers could have a material adverse effect on our business.

Sales to the military sector constituted approximately 12 percent of our fiscal 2012 sales. Defense spending is subject to appropriations and to political pressures that influence which programs are funded and those which are cancelled. Reductions in domestic or foreign defense budgets or military aircraft procurement, delays in funding, or reprioritization of government spending away from defense programs in which we participate could adversely affect our business.

Our business depends, in part, on the success of new commercial and military aircraft programs.

The success of our business will depend, in part, on the success of new commercial and military aircraft programs including the Boeing 787, Boeing 747-8, Airbus A350, Airbus A380, and F-35 programs. We are currently under contract to supply components for a number of new commercial, general aviation, and military aircraft programs. Cancellation, reductions or delays of orders or contracts by our customers on any of these programs could have a material adverse effect on our business.

The competitive nature of our business results in pressure for price concessions to our customers and increased pressure to reduce our costs.

We are subject to substantial competition in all of the markets we serve, and we expect this competition to continue. As a result, we have made significant long term price concessions to our customers in the aerospace and power generation markets from time to time, and we expect customer pressure for further long term price concessions to continue. Maintenance of our market share will depend, in part, on our ability to sustain a cost structure that enables us to be cost-competitive. If we are unable to adjust our costs relative to our pricing, our profitability will suffer. Our effectiveness in managing our cost structure will be a key determinate of future profitability and competitiveness.

Our business is dependent on a number of raw materials that are subject to volatility in price and availability.

We use a number of raw materials in our products, including certain metals such as nickel, titanium, cobalt, tantalum and molybdenum and various rare earth elements, which are found in only a few parts of the world and are available from a limited number of suppliers. The availability and costs of these metals and elements may be influenced by private or government cartels, changes in world politics, labor relations between the producers and their work forces, unstable governments in exporting nations, export quotas imposed by governments in countries with rare earth element supplies, market forces of supply and demand, and inflation. These metals and rare earth elements are required for the alloys or processes used or manufactured in our investment cast products, forged products and fastener products segments. We have escalation clauses for nickel, titanium and other metals in a number of our long-term contracts with major customers, but we are not usually able to fully offset the effects of changes in raw material costs. We also employ “price-in-effect” metal pricing in our alloy production businesses to lock-in the current cost of metal at the time of production or time of shipment. The ability of key metal suppliers to meet quality and delivery requirements can also impact our ability to meet commitments to customers. Future shortages or price fluctuations in raw materials could result in decreased sales and margins, or otherwise adversely affect our business. The enactment of new or increased import duties on raw materials imported by us could also increase the costs to us of obtaining the raw materials and might adversely affect our business.

Our business is affected by federal rules, regulations and orders applicable to government contractors.

A number of our products are manufactured and sold under U.S. government contracts or subcontracts. Consequently, we are directly and indirectly subject to various federal rules, regulations and orders applicable to government contractors. From time to time, we are also subject to government inquiries and investigations of our business practices due to our participation in government programs. These inquiries and investigations are costly and consuming of internal resources. Violation of applicable government rules and regulations could result in civil liability, in cancellation or suspension of existing contracts or in ineligibility for future contracts or subcontracts funded in whole or in part with federal funds, any of which could have a material adverse effect on our business.

Our business is subject to environmental regulations and related liabilities and liabilities associated with chemicals and substances in the workplace.

We are subject to various federal, state and foreign environmental laws and regulations concerning, among other things, water discharges, air emissions, hazardous material and waste management and environmental cleanup. Environmental laws and regulations continue to evolve and we may become subject to increasingly stringent environmental standards in the future, particularly under air quality and water quality laws and standards related to climate change issues, such as reporting of greenhouse gas emissions. We are required to comply with environmental laws and the terms and conditions of multiple environmental permits. Failure to comply with these laws or permits could result in fines and penalties, interruption of manufacturing operations, or the need to install pollution control equipment that could be costly. We also may be required to make additional expenditures, which could be significant, relating to environmental matters on an ongoing basis. We also own properties, or conduct or have conducted operations at properties, where hazardous materials have been used for many years, including during periods before careful management of these materials was required or generally believed to be necessary. Consequently, we will continue to be subject to environmental laws that impose liability for historical releases of hazardous substances.

Our financial statements include estimated liabilities for future costs arising from environmental issues relating to our properties and operations. Our accruals for known environmental liabilities represent our best estimate of our probable future obligations for the investigation and remediation of known contaminated sites. Our accruals include asserted and unasserted claims. The estimates of our environmental costs are based on currently available facts, present laws and regulations and current technology and take into consideration our prior experience in site investigation and remediation, the data available for each site, and the professional judgment of our environmental specialists and consultants. Although recorded liabilities include our best estimate of all probable costs, our total costs for the final settlement of each site cannot be predicted with certainty due to the variety of factors that make potential costs associated with contaminated sites inherently uncertain, such as: the nature and extent of site contamination, available remediation alternatives, the extent to which remedial actions will be required, the time period over which costs will be incurred, the number and economic viability of other responsible parties, and whether we have any opportunity of contribution from third parties, including recovery from insurance policies. In addition, sites that are in the early stages of investigation are subject to greater uncertainties than mature sites that are close to completion. Although the sites we identify vary across the spectrum, approximately half of our sites could be considered at an early stage of the investigation and remediation process. Therefore, our cost estimates and the accruals associated with those sites are subject to greater uncertainties. Environmental contingent liabilities are often resolved over a long period of time and the timing of expenditures depends on a number of factors that vary by site. We expect that we will expend present accruals over many years and that remediation of all currently known sites will be completed within 30 years. While it is possible that a significant portion of the accrued costs may be paid out over the next ten years, we anticipate that no individual site will be considered to be material. We cannot ensure that our estimated liabilities are adequate to cover the total cost of remedial measures that may eventually be required by environmental authorities with respect to known environmental matters or the cost of claims that may be asserted in the future with respect to environmental matters about which we are not yet aware. Accordingly, the costs of environmental remediation or claims may exceed the amounts accrued.

We have been named as a PRP at sites identified by the EPA and state regulatory agencies for investigation and remediation under CERCLA and similar state statutes. Under common law, as applied in the environmental remediation context, potentially responsible parties may be jointly and severally liable, and therefore we may be potentially liable to the government or third parties for the full cost of remediating contamination at our facilities or former facilities or at third-party sites where we have been designated a PRP. In estimating our current liabilities for environmental matters, we have assumed that we will not bear the entire cost of remediation of every site to the exclusion of other PRPs who may be jointly and severally liable. It is also possible that we will be designated a PRP at additional sites in the future.

Like many other industrial companies in recent years, we are defendants in lawsuits alleging personal injury as a result of exposure to chemicals and substances in the workplace, including asbestos. To date, we have been dismissed from a number of these suits and have settled a number of others. The outcome of litigation such as this is difficult to predict and a judicial decision unfavorable to us could be rendered, possibly having a material adverse effect on our business.

Our business is subject to risks associated with international operations.

We purchase products from and supply products to businesses located outside of the United States. We also have significant operations located outside the United States. In fiscal 2012, approximately 17 percent of our total sales were attributable to our non-U.S. subsidiaries. A number of risks inherent in international operations could have a material adverse effect on our results of operations, including:

- fluctuations in U.S. dollar value arising from transactions denominated in foreign currencies and the translation of certain foreign currency subsidiary balances;
- difficulties in staffing and managing multi-national operations;

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- general economic and political uncertainties and potential for social unrest in countries in which we or our customers operate;
- limitations on our ability to enforce legal rights and remedies;
- restrictions on the repatriation of funds;
- changes in trade policies;
- tariff regulations;
- difficulties in obtaining export and import licenses;
- the risk of government financed competition; and
- compliance with a variety of international laws as well as U.S. and other laws affecting the activities of companies abroad.

A majority of our sales of extruded pipe for the power generation market have been exported to power generation customers in China and India. These sales are subject to the risks associated with international sales generally. In addition, changes in demand could result from a reduction of power plant build rates in China or India due to economic conditions or otherwise, or increased competition from local manufacturers who have cost advantages or who may be preferred suppliers. Also, with respect to China, Chinese commercial laws, regulations and interpretations applicable to non-Chinese market participants such as us are rapidly changing. These laws, regulations and interpretations could impose restrictions on our ownership or operations of our interests in China and have a material adverse effect on our business.

Any lower than expected rating of our bank debt and debt securities could adversely affect our business.

Two rating agencies, Moody's and Standard & Poor's, rate our debt securities. Both agencies upgraded our debt rating during fiscal 2011. If the rating agencies were to reduce their current ratings, our interest expense may increase and the terms of future borrowing arrangements may become more stringent or require additional credit support. Our ability to comply with covenants contained in the instruments governing our existing and future indebtedness may be affected by events and circumstances beyond our control. If we breach any of these covenants, one or more events of default, including cross-defaults between multiple components of our indebtedness, could result. These events of default could permit our creditors to declare all amounts owing to be immediately due and payable, and terminate any commitments to make further extensions of credit.

Our production may be interrupted due to equipment failures or other events affecting our factories.

Our manufacturing processes depend on certain sophisticated and high-value equipment, such as some of our forging presses for which there may be only limited or no production alternatives. Unexpected failures of this equipment could result in production delays, revenue loss and significant repair costs. In addition, our factories rely on the availability of electrical power and natural gas, transportation for raw materials and finished product, and employee access to our workplace that are subject to interruption in the event of severe weather conditions or other natural or manmade events. While we maintain backup resources to the extent practicable, a severe or prolonged equipment outage or other interruptive event affecting areas where we have significant manufacturing operations may result in loss of manufacturing or shipping days which could have a material adverse effect on our business. Natural or manmade events that interrupt significant manufacturing operations of our customers also could have a material adverse effect on our business.

Failure to protect our intellectual property rights could adversely affect our business.

We rely on a combination of confidentiality, invention assignment and other types of agreements and trade secret, trademark, and patent law to establish, maintain, protect and enforce our intellectual property rights. Our efforts in regard to these measures may be inadequate, however, to prevent others from misappropriating our intellectual property rights. In addition, laws in some non-U.S. countries affecting intellectual property are uncertain in their application, which can affect the scope or enforceability of our intellectual property rights. Any of these events or factors could diminish or cause us to lose the competitive advantages associated with our intellectual property, which could have an adverse effect on our business, financial condition and results of operations.

We could be faced with labor shortages, disruptions or stoppages if our relations with our employees were to deteriorate.

Our operations rely heavily on our skilled employees. Any labor shortage, disruption or stoppage caused by any deterioration in employee relations or difficulties in the renegotiation of labor contracts could reduce our operating margins and income. Approximately 22 percent of our employees are affiliated with unions or covered by collective bargaining agreements. Failure to negotiate a new labor agreement when required could result in a work stoppage. Although we believe that our labor relations have generally been satisfactory, it is possible that we could become subject to additional work rules imposed by agreements with labor unions, or that work stoppages or other labor disturbances could occur in the future, any of which could reduce our operating margins and income and place us at a disadvantage relative to non-union competitors.

Product liability and product warranty risks could adversely affect our operating results.

We produce many critical parts for commercial and military aircraft, for high pressure applications in power plants, and for oil and gas applications. Failure of our parts could give rise to substantial product liability claims. We maintain insurance addressing the risk of product liability claims arising from bodily injury or property damage (which generally does not include damages for pollution or environmental liability), but there can be no assurance that the insurance coverage will be adequate or will continue to be available on terms acceptable to us. We manufacture most of our parts to strict contractually-established standards and tolerances using complex manufacturing processes. If we fail to meet the contractual requirements for a product we may be subject to product warranty costs and claims. Product warranty costs are generally not insured.

We could be required to make additional contributions to our defined benefit pension and postretirement benefit plans as a result of adverse changes in interest rates and pension investments.

Our estimates of liabilities and expenses for pensions and other postretirement benefits incorporate significant assumptions including the rate used to discount the future estimated liability, the long-term rate of return on plan assets and assumptions relating to the employee workforce including salary increases, medical costs, retirement age and mortality. Our results of operations, liquidity, or shareholders' equity in a particular period could be affected by a decline in the rate of return on plan assets, the rate used to discount the future estimated liabilities, or changes in employee workforce assumptions. We may have to contribute more cash to various pension plans and record higher pension-related expenses in future periods as a result of decreases in the value of investments held by these plans, or changes in discount rates or other pension assumptions.

A global recession or disruption in global financial markets could adversely affect us.

A global recession or disruption in the global financial markets presents risks and uncertainties that we cannot predict. During the recent recession, we saw a moderate decline in demand for our products due to global economic conditions. However, our access to credit to finance our operations was not materially limited. If recessionary economic conditions or financial market disruptions were to return, we would face risks that may include:

- declines in revenues and profitability from reduced or delayed orders by our customers;
- supply problems associated with any financial constraints faced by our suppliers;
- restrictions on our access to short-term commercial paper borrowings or other credit sources;
- reductions to our banking group or to our committed credit availability due to combinations or failures of financial institutions; and
- increases in corporate tax rates to finance government spending programs.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our manufacturing plants and administrative offices, along with certain information concerning the products and facilities are as follows:

Division	No. of Facilities	Building Space (sq. ft.)		
		Leased	Owned	Total
Executive & Corporate Offices				
Domestic	2	567	42,118	42,685
Foreign	1	1,312	—	1,312
Investment Cast Products				
Domestic	49	771,923	2,473,127	3,245,050
Foreign	6	9,090	377,037	386,127
Forged Products				
Domestic	57	646,862	6,731,453	7,378,315
Foreign	25	692,041	1,622,807	2,314,848
Fastener Products				
Domestic	40	1,603,655	1,692,396	3,296,051
Foreign	22	397,685	760,605	1,158,290
Discontinued Operations				
Domestic	6	141,942	329,000	470,942
Foreign	8	205,906	171,644	377,550
Total Company				
Domestic	154	3,164,949	11,268,094	14,433,043
Foreign	62	1,306,034	2,932,093	4,238,127
Total	216	4,470,983	14,200,187	18,671,170

We believe our principal properties include facilities suitable and adequate for our present needs for the manufacture of our products; see “Item 7. Management’s Discussion and Analysis.”

ITEM 3. LEGAL PROCEEDINGS

For a general description of claims relating to environmental matters, see “Item 1. Business-Environmental Compliance.”

As of April 1, 2012, there were approximately 76 lawsuits pending against the Company alleging personal injury as the result of exposure to particulates, including asbestos, integrated into our premises or processes or into certain historical products. It is frequently not possible at the outset of a case to determine which of the plaintiffs actually will pursue a claim against the Company. Typically, that can only be determined through discovery after a case has been filed. Thus, in a case involving multiple plaintiffs, unless otherwise expressed in the pleadings, the Company accounts for the lawsuit as one claim against it. Provided below is a chart showing the number of new claims filed (as described above), the number of claims disposed of (settled or otherwise dismissed) and the approximate dollar amount paid by or on behalf of (including through insurance) the Company in settlement of these claims:

Fiscal	2012	2011
New Claims Filed	20	33
Claims Disposed Of	22	19
Dollars Paid in Settlement (in millions)	\$ 2.6	\$ —

The Company considers that all such claims are tort claims while noting that some claims, such as those filed in West Virginia, were historically common law “employer liability” cases and are now based on a statutory definition of requisite intent.

The particulates in question are no longer incorporated into our products, and we have implemented safety protocols to reduce exposure to remaining particulates in the workplace. Based on the information available to us at the date of filing of this report, we believe, based on our review of the facts and law, that the potential exposure from the resolution of any or all of

these matters will not have a material adverse effect on our consolidated financial position, results of operations, cash flows or business.

Various claims and lawsuits arising during the normal course of business are pending against us. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on our consolidated financial position, results of operations, cash flows or business.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT ^(a)

Name	Officer Since	Age	Position Held With the Registrant
Mark Donegan	^(b) 1992	55	Chairman and Chief Executive Officer
Shawn R. Hagel	^(c) 1997	46	Senior Vice President, Chief Financial Officer and Assistant Secretary
Kenneth D. Buck	^(d) 2005	52	Executive Vice President and President - Forged Products
Kevin M. Stein	^(e) 2009	46	Executive Vice President and President - PCC Structural
Roger A. Cooke	^(f) 2000	63	Senior Vice President, General Counsel and Secretary
Kirk G. Pulley	^(g) 2004	43	Vice President - Strategic Planning and Corporate Development

- (a) The above information is reported as of May 1, 2012. The officers serve for a term of one year and until their successors are elected. Unless otherwise indicated, all positions have been held for the last five years.
- (b) Elected Chairman in 2003 and Chief Executive Officer in 2002. Previously was elected Executive Vice President in 1992. Named President - Wyman-Gordon in 1999. Previously served as President - PCC Structural.
- (c) Elected Senior Vice President, Chief Financial Officer and Assistant Secretary in 2008. Previously was elected Vice President and Corporate Controller in 2000.
- (d) Elected Executive Vice President and President - Forged Products in 2010. Previously was elected Executive Vice President and President - PCC Airfoils and Wyman-Gordon in 2008 and Senior Vice President and President - PCC Airfoils in 2005.
- (e) Elected Executive Vice President in 2009 and President - PCC Structural in 2011. Previously was elected President - Fastener Products Division in 2009. Prior to joining PCC, he was a Division President for Cooper Industries and General Manager for Tyco Electronics.
- (f) Elected Senior Vice President, General Counsel and Secretary in 2008. Previously was elected Vice President - Regulatory and Legal Affairs and Secretary in 2000.
- (g) Elected Vice President - Strategic Planning and Corporate Development in 2004. Prior to joining PCC, he was a Vice President in investment banking with Goldman Sachs & Co.

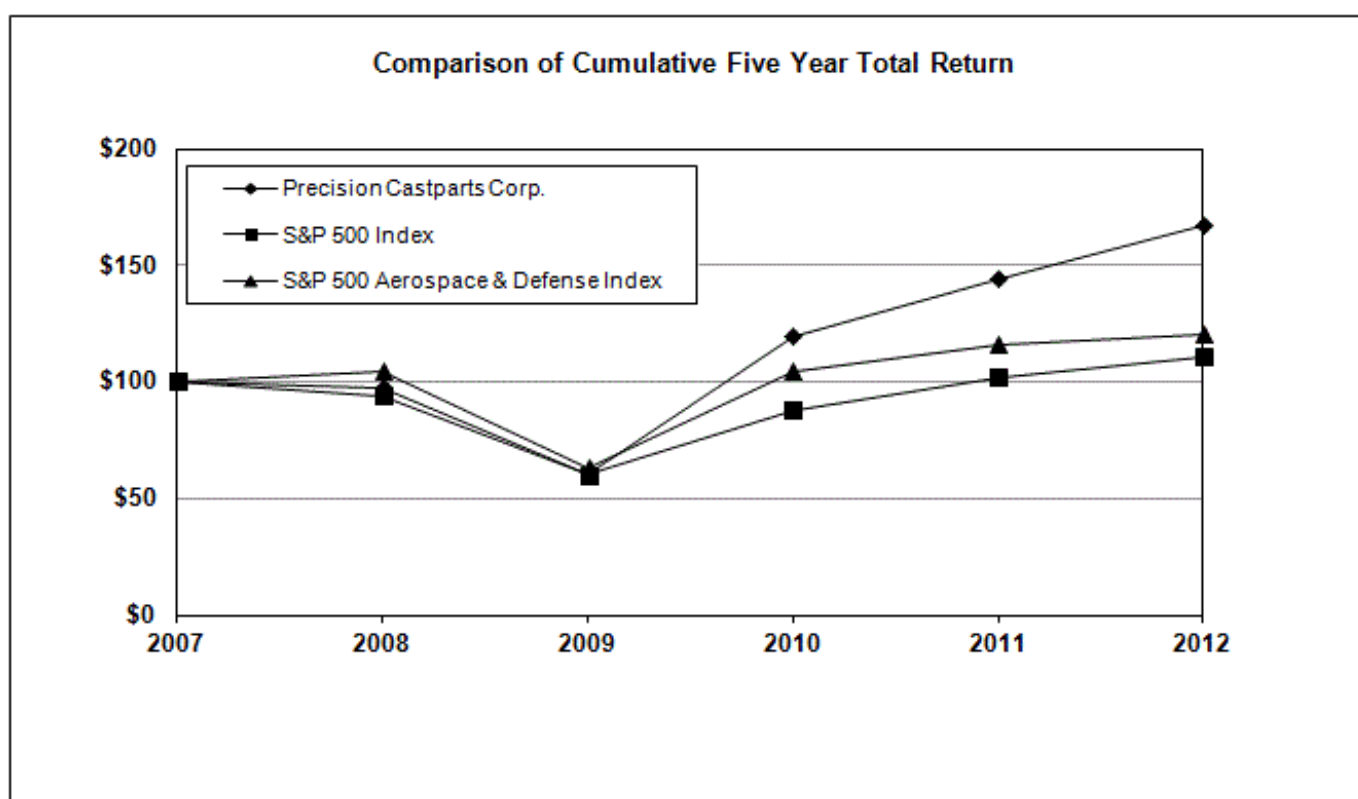
PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

As of April 1, 2012, there were 4,808 shareholders of record of our common stock. The principal market for our common stock is the New York Stock Exchange, where it trades under the symbol PCP. For information concerning the quarterly high and low sales prices of PCC common stock and dividend data, refer to the Quarterly Financial Information table in Item 8, Financial Statements and Supplementary Data. We expect to continue to pay quarterly cash dividends, subject to our earnings, financial condition and other factors.

Return to Shareholders Performance Graph

The following line graph provides a comparison of the annual percentage change in the Company's cumulative total shareholder return on its common stock to the cumulative total return of the S&P 500 Index and the S&P 500 Aerospace and Defense Index. The comparison assumes that \$100 was invested on March 31, 2007 in PCC common stock and in each of the foregoing indices and, in each case, assumes the reinvestment of dividends.



MEASUREMENT PERIOD (by fiscal year)

	2007	2008	2009	2010	2011	2012
S&P 500	100.0	94.39	60.09	87.79	102.27	110.45
S&P 500 Aerospace & Defense	100.0	104.73	63.47	104.34	116.11	120.79
Precision Castparts Corp.	100.0	97.50	60.82	119.46	144.48	167.10

ITEM 6. SELECTED FINANCIAL DATA
Five-Year Summary of Selected Financial Data
(Unaudited)
(In millions, except employee, shareholder and per share data)

Fiscal	2012	2011	2010	2009	2008
Net sales	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2	\$ 6,770.8	\$ 6,675.5
Net income	\$ 1,225.8	\$ 1,014.8	\$ 922.6	\$ 1,044.8	\$ 988.5
Net income attributable to PCC shareholders:					
Continuing operations	\$ 1,230.5	\$ 1,009.4	\$ 925.1	\$ 1,036.6	\$ 949.8
Net income attributable to PCC shareholders	\$ 1,224.1	\$ 1,013.5	\$ 921.8	\$ 1,044.5	\$ 987.3
Return on sales from continuing operations	17.1%	16.2%	16.9%	15.3%	14.2%
Return on beginning shareholders' equity from continuing operations	17.2%	17.1%	19.0%	25.6%	33.4%
Net income per common share attributable to PCC (basic):					
Continuing operations	\$ 8.52	\$ 7.07	\$ 6.57	\$ 7.44	\$ 6.88
Net income	\$ 8.48	\$ 7.10	\$ 6.55	\$ 7.49	\$ 7.15
Net income per common share attributable to PCC (diluted):					
Continuing operations	\$ 8.45	\$ 7.01	\$ 6.51	\$ 7.37	\$ 6.77
Net income	\$ 8.41	\$ 7.04	\$ 6.49	\$ 7.43	\$ 7.04
Weighted average shares of common stock outstanding					
Basic	144.4	142.7	140.7	139.4	138.1
Diluted	145.6	143.9	142.1	140.6	140.2
Cash dividends declared per common share	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12	\$ 0.12
Working capital	\$ 2,714.9	\$ 2,708.6	\$ 1,628.3	\$ 1,723.9	\$ 1,167.5
Total assets	\$ 10,558.8	\$ 8,955.9	\$ 7,660.7	\$ 6,721.4	\$ 6,050.1
Total debt	\$ 208.2	\$ 236.6	\$ 250.0	\$ 305.3	\$ 353.1
Total equity	\$ 8,364.8	\$ 7,164.5	\$ 5,891.7	\$ 4,863.1	\$ 4,049.0
Total debt as a percent of total debt and equity	2.4%	3.2%	4.1%	5.9%	8.0%
Book value per share	\$ 57.57	\$ 49.86	\$ 41.52	\$ 34.76	\$ 29.13
Capital expenditures ⁽¹⁾	\$ 194.0	\$ 120.6	\$ 169.5	\$ 205.7	\$ 227.4
Number of employees ⁽²⁾	21,480	18,308	18,064	20,611	21,558
Number of shareholders of record	4,808	6,262	6,298	5,910	7,617

(1) Includes capital expenditures of discontinued operations

(2) Includes employees of discontinued operations

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(in millions, except per share data)

Business overview

During fiscal 2012, we leveraged our solid contractual positions in traditional end markets of aerospace and IGT and gained traction in newer businesses such as aerostructures and oil and gas. The commercial aerospace market is robust and does not appear to be slowing down. We are well positioned to benefit from increased base production build rates announced by Boeing and Airbus, and Boeing 787 production is beginning to gain traction. Within our power markets, we experienced solid IGT sales growth, driven by both improved OEM schedules and aftermarket demand for spares. We also generated more than \$1.0 billion of cash from operations during fiscal 2012 and revenue reached a record level, exceeding \$7.2 billion.

As part of our continued focus on expanding our product lines and markets, we completed eight acquisitions in fiscal 2012. The acquisition of the rings operations of Unison Engine Components ("Tru-Form"), which closed in the second quarter of fiscal 2012, broadens our forged product range, adding flash-welded and cold-rolled rings to our portfolio. Tru-Form, which supplies all prime engine OEMs, has exposure to every major commercial aircraft in production today. The addition of PB Fasteners, which closed early in the third quarter of fiscal 2012, further strengthens our fastener product line, adds to our already strong position on the Boeing 787, and will provide opportunities on other composite aircraft in the future.

In addition to our already served end markets, we are rapidly expanding our aerospace reach and positioning ourselves with customers in the oil and gas industry. Aided by the acquisitions of Rollmet and KLAD, we have made great strides in penetrating the oil and gas markets. We received two significant orders with major oil and gas customers, which will provide incremental sales in fiscal 2013. In early fiscal 2013, we acquired RathGibson, LLC, which gives us additional manufacturing capabilities to serve the oil and gas industry and will enable us to offer more comprehensive bids on severe service projects. We also have a strong focus on development of our aerostructures platform. With the integration of Primus actively underway, we have already begun to capture valuable synergies and to achieve top- and bottom-line growth. In May 2012, we acquired Centra Industries ("Centra"), a state-of-the art aerostructures manufacturer located in Ontario, Canada. Centra manufactures a range of machined airframe components and assemblies, in both aluminum and hard metals. Also in May 2012, we agreed to acquire Dickson Testing Company ("Dickson") and Aerocraft Heat Treating Company ("Aerocraft"). Dickson offers a full range of destructive testing services including: mechanical properties; metallurgical and chemical analyses; and low-cycle fatigue testing. Aerocraft provides precision heat treating services for titanium and nickel alloy forgings and castings used in the aerospace industry, as well as other related services including straightening, de-twisting and forming.

During fiscal 2012, we focused on upgrading manufacturing equipment and increasing operational productivity with the completion or initiation of several large-scale cost reduction projects throughout the Company. We also acquired several small strategic tuck-in acquisitions that expanded our manufacturing capabilities. We expect our baseline capital expenditures for fiscal 2013 to be moderately higher than fiscal 2012 based on our current forecasts. These expenditures will be targeted for equipment upgrades, capacity expansion, and cost reduction and productivity projects across all segments.

Our net periodic pension expense for fiscal 2013 is estimated to increase by \$32 million, primarily due to a reduction in discount rates and amortization of actuarial losses. However, improved operating performance at every one of our manufacturing sites continues to be our prime focus. We have achieved strong base incremental margins across all segments over the past year. Over the long term, as a Company, we are focused daily on delivering strong incremental margins as our sales increase, as our results have clearly demonstrated over the past year. We have the right tools, and we have the right people, who know how to put these tools to work to deliver results and the opportunity for both top- and bottom-line growth has never been better.

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	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Net sales	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2	16 %	14 %
Costs and expenses:					
Cost of goods sold	4,949.3	4,326.7	3,668.8	14 %	18 %
Selling and administrative expenses	448.1	390.6	367.1	15 %	6 %
Interest expense, net	5.2	9.0	13.1	(42)%	(31)%
Total costs and expenses	5,402.6	4,726.3	4,049.0		
Income before income tax expense and equity in earnings of unconsolidated affiliates	1,812.0	1,493.8	1,410.2	21 %	6 %
Income tax expense	(594.4)	(499.7)	(485.7)	19 %	3 %
Equity in earnings of unconsolidated affiliates	14.6	16.6	1.4	(12)%	1,086 %
Net income from continuing operations	1,232.2	1,010.7	925.9	22 %	9 %
Net (loss) income from discontinued operations	(6.4)	4.1	(3.3)	(256)%	224 %
Net income	1,225.8	1,014.8	922.6	21 %	10 %
Net income attributable to noncontrolling interest	(1.7)	(1.3)	(0.8)	31 %	63 %
Net income attributable to Precision Castparts Corp. ("PCC")	\$ 1,224.1	\$ 1,013.5	\$ 921.8	21 %	10 %
Net income per common share attributable to PCC shareholders (basic):					
Net income per share from continuing operations	\$ 8.52	\$ 7.07	\$ 6.57	21 %	8 %
Net (loss) income per share from discontinued operations	(0.04)	0.03	(0.02)	(233)%	250 %
Net income per share (basic)	\$ 8.48	\$ 7.10	\$ 6.55	19 %	8 %
Net income per common share attributable to PCC shareholders (diluted):					
Net income per share from continuing operations	\$ 8.45	\$ 7.01	\$ 6.51	21 %	8 %
Net (loss) income per share from discontinued operations	(0.04)	0.03	(0.02)	(233)%	250 %
Net income per share (diluted)	\$ 8.41	\$ 7.04	\$ 6.49	19 %	8 %

Sales by Market	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Aerospace	\$ 4,459.6	\$ 3,572.0	\$ 2,991.0	25 %	19 %
% of total	62%	57%	54%		
Power	1,512.0	1,348.3	1,454.6	12 %	(7)%
% of total	21%	22%	27%		
General Industrial & Other	1,243.0	1,299.8	1,013.6	(4)%	28 %
% of total	17%	21%	19%		
Total Sales	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2	16 %	14 %
% of total	100%	100%	100%		

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Average market price of key metals (per pound)	Fiscal Year			Increase/(Decrease)			
	2012	2011	2010	2012 vs. 2011		2011 vs. 2010	
				\$	%	\$	%
Nickel	\$ 9.54	\$ 10.69	\$ 7.72	\$ (1.15)	(11)%	\$ 2.97	38%
<i>London Metals Exchange ⁽¹⁾</i>							
Titanium	\$ 4.71	\$ 4.79	\$ 1.66	\$ (0.08)	(2)%	\$ 3.13	189%
<i>Ti 6-4 bulk, Metalprices.com</i>							
Cobalt	\$ 16.40	\$ 20.09	\$ 18.89	\$ (3.69)	(18)%	\$ 1.20	6%
<i>Metal Bulletin COFM.8 Index ⁽¹⁾</i>							

(1) Source: Bloomberg

Fiscal 2012 compared with fiscal 2011

Total sales for fiscal 2012 were \$7,214.6 million, an increase of \$994.5 million, or 16 percent, from fiscal 2011 sales of \$6,220.1 million. The increase in sales compared to the prior year was driven by solid aerospace growth of approximately \$888 million, or 25 percent, over fiscal 2011 levels, particularly within the Investment Cast and Forged Products segments. Boeing and Airbus accelerated base production build rates throughout fiscal 2012 and Boeing 787 production began to ramp up. Aerospace sales increased from 57 percent of total sales in fiscal 2011 to 62 percent of total sales in fiscal 2012. Sales within our power market increased approximately \$164 million, or 12%, over the prior year. Factors contributing to this increase include solid IGT sales performance, driven by both OEM orders and aftermarket demand, and growth in oil and gas sales, primarily in the Forged Products segment, partially offset by further reductions in interconnect pipe sales. Sales to the power market (which includes IGT, oil and gas and interconnect pipe) decreased from 22 percent of total sales in fiscal 2011 to 21 percent of total sales in fiscal 2012. General industrial sales declined approximately \$57 million, or 4 percent, over the prior year, as we focused on growing higher margin, intercompany activity. We used more of our internal assets for billet production, with intercompany activity increasing approximately \$260 million, or 24%, over last year. General industrial and other sales decreased from 21 percent of total sales in fiscal 2011 to 17 percent of total sales in fiscal 2012. We acquired eight businesses during fiscal 2012, which contributed approximately \$400 million to sales in fiscal 2012 (also included in market changes discussed above).

Higher external selling prices of nickel alloy from the Forged Products segment's three primary mills added approximately \$150 million to top-line revenues in fiscal 2012 versus fiscal 2011. Contractual material pass-through pricing increased sales by approximately \$301.0 million in fiscal 2012 versus approximately \$233.4 million in fiscal 2011, an increase of \$67.6 million. Contractual material pass-through pricing adjustments are calculated based on market prices such as those shown in the above table in trailing periods from one to twelve months. Although nickel prices decreased 11% on the London Metals Exchange ("LME") compared to the prior year, volume increases, customer directed forward purchases of nickel, and material price escalators associated with other raw materials drove the increase in material pass-through and selling prices of nickel alloy over the prior year.

With regard to growth in the commercial aircraft industry, based on data from The Airline Monitor as of January 2012, Boeing and Airbus aircraft deliveries are expected to moderately increase through calendar year 2012 as compared to 2011. Due to manufacturing lead times and scheduled build rates, our production volumes are generally 6 to 9 months ahead of aircraft deliveries. The Airline Monitor is projecting further growth in aircraft deliveries in calendar year 2013, and therefore we anticipate that our aerospace sales will continue to increase in fiscal 2013.

Cost of goods sold was \$4,949.3 million, or 69 percent of sales, in fiscal 2012 as compared to \$4,326.7 million, or 70 percent of sales, in fiscal 2011. Cost of goods sold as a percent of sales was positively impacted by effective leverage on increased sales volume, increased internal metal sourcing in an effort to reduce costs, and other operational improvements. These decreases were partially offset by the inclusion of lower-margin sales from the acquisitions in the Forged and Fastener Products segments and new product development costs. Contractual material pass-through pricing diluted gross margin by 1.4 percentage points in fiscal 2012 compared to 1.2 percentage points last year.

Selling and administrative expenses were \$448.1 million, or 6 percent of sales, in fiscal 2012 compared to \$390.6 million, or 6 percent of sales, in fiscal 2011. The largest increase in selling and administrative expenses over the prior year is attributable to additional expenses from the fiscal 2012 acquisitions.

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Net income from continuing operations attributable to PCC for fiscal 2012 was \$1,230.5 million, or \$8.45 per share (diluted). By comparison, net income from continuing operations attributable to PCC for fiscal 2011 was \$1,009.4 million, or \$7.01 per share (diluted). Fiscal 2012 net income attributable to PCC including discontinued operations was \$1,224.1 million, or \$8.41 per share (diluted), compared with net income of \$1,013.5 million, or \$7.04 per share (diluted) in fiscal 2011. Fiscal 2012 results include a net loss of \$6.4 million, or \$0.04 per share (diluted), from discontinued operations, compared to net income of \$4.1 million, or \$0.03 per share (diluted), in the prior year.

Fiscal 2011 compared with fiscal 2010

Total sales for fiscal 2011 were \$6,220.1 million, an increase of \$760.9 million, or 14 percent, from fiscal 2010 sales of \$5,459.2 million. The increase in sales compared to fiscal 2010 was driven by improved aerospace demand, resulting in an increase in aerospace sales of approximately \$581 million, or 19 percent, over fiscal 2010 levels, as our aerospace customer order schedules aligned with base commercial aircraft build rates, particularly within the Investment Cast and Forged Products segments. Aerospace sales increased from 54 percent of total sales in fiscal 2010 to 57 percent of total sales in fiscal 2011. General industrial sales increased \$286 million, or 28 percent, over fiscal 2010, and increased from 19 percent of total sales in fiscal 2010 to 21 percent of total sales in fiscal 2011. Higher external selling prices of nickel alloy from the Forged Products segment's three primary mills, which increased 38% on the London Metals Exchange ("LME") compared to fiscal 2010, added approximately \$111 million to top-line revenues in fiscal 2011 versus fiscal 2010. Fiscal 2011 also included four quarters of sales from Carlton Forge Works ("Carlton"), which was acquired in the third quarter of fiscal 2010. These increases were partially offset by a decline in seamless pipe sales of approximately \$217 million, or 42 percent, over fiscal 2010 levels. Sales to the power market (which includes IGT and seamless pipe) decreased from 27 percent of total sales in fiscal 2010 to 22 percent of total sales in fiscal 2011. Contractual material pass-through pricing, which reflects the impact of escalation formulas included in certain long-term agreements, also declined, increasing sales by approximately \$233.4 million in fiscal 2011 versus approximately \$249.6 million in fiscal 2010, a decrease of \$16.2 million. Contractual material pass-through pricing adjustments are calculated based on market prices such as those shown in the above table in trailing periods from one to twelve months.

Cost of goods sold was \$4,326.7 million, or 70 percent of sales, in fiscal 2011 as compared to \$3,668.8 million, or 67 percent of sales, in fiscal 2010. Cost of goods sold as a percent of sales was negatively impacted by the reduced seamless pipe volume, which was replaced by lower margin general industrial sales in the Forged Products segment. In addition, lower sales of core product lines in the Fasteners Products segment were replaced with sales of less complex, lower margin products. These decreases were partially offset by the effective leverage of increased aerospace volume due to significantly improved cost structures throughout the Company. Contractual material pass-through pricing diluted gross margin by 1.2 percentage points in fiscal 2011 compared to 1.6 percentage points in fiscal 2010.

Selling and administrative expenses were \$390.6 million, or 6 percent of sales, in fiscal 2011 compared to \$367.1 million, or 7 percent of sales, in fiscal 2010. The lower year-over-year percentage was primarily due to the fixed nature of selling and administrative expenses coupled with an increase in sales compared to fiscal 2010.

Net income from continuing operations attributable to PCC for fiscal 2011 was \$1,009.4 million, or \$7.01 per share (diluted). By comparison, net income from continuing operations attributable to PCC for fiscal 2010 was \$925.1 million, or \$6.51 per share (diluted). Fiscal 2011 net income attributable to PCC including discontinued operations was \$1,013.5 million, or \$7.04 per share (diluted), compared with net income of \$921.8 million, or \$6.49 per share (diluted) in fiscal 2010. Fiscal 2011 net income includes \$4.1 million, or \$0.03 per share (diluted), from discontinued operations, compared to a net loss of \$3.3 million, or \$0.02 per share (diluted), in fiscal 2010.

Acquisitions

Fiscal 2012

On July 14, 2011, we acquired the rings operations of Unison Engine Components ("Tru-Form") from GE Aviation, an operating unit of General Electric Company. Tru-Form is a leader in the manufacture of flash-welded and cold-rolled rings for jet engine and gas turbine applications, including spacer rings, combustion casings and liners, low pressure turbine casings, and fan cases. The innovative Tru-Form cold-rolling process produces a near-net-shaped part from a flash-welded ring, reducing material and machining costs and enabling the production of more complex part shapes. Tru-Form employs approximately 275 people across its three locations in Wilkes-Barre and Mountaintop, Pennsylvania, and Tyseley, England. The Tru-Form acquisition was an asset purchase for tax purposes and operates as part of the Forged Products segment.

On July 22, 2011, we acquired the assets of the Rollmet business ("Rollmet") from Rockwell Collins. Rollmet has developed a unique cold-roll extrusion process to manufacture precision thin wall pipe across a range of materials, including nickel alloys, stainless steel, aluminum, and carbon steel. Rollmet's products are utilized in a variety of oil and gas

applications, as well as motor cases for missile programs. Rollmet has approximately 70 employees and operates one facility in Irvine, California. The Rollmet acquisition was an asset purchase for tax purposes and operates as part of the Forged Products segment.

On August 9, 2011, we acquired Primus International ("Primus") for approximately \$900 million in cash. Primus is a leading supplier of aerostructures and complex components and assemblies to the global aerospace industry, including swaged rods, and machined aluminum and titanium components. Product applications include wing, fuselage and engine-related assemblies, passenger and exit doors, and actuation and flight control assemblies. Headquartered in Bellevue, Washington, Primus employs approximately 1,500 people across five manufacturing locations, including three in the Seattle, Washington area, as well as Tulsa, Oklahoma, and Suzhou, China. The Primus acquisition was a stock purchase for tax purposes and operates as part of the Fastener Products segment. This transaction resulted in \$422.1 million of goodwill and \$505.3 million of other intangible assets, including customer relationships with indefinite lives valued at \$468.5 million, customer relationships with finite lives valued at \$15.6 million and backlog valued at \$21.2 million. We also recorded a long-term liability related to the fair value of loss contracts valued at \$85.3 million.

On October 4, 2011, we acquired the assets of PB Fasteners ("PB"). PB is an industry leader in the design and manufacturing of fastener products for airframe applications, including the development of the SLEEVBolt® fastening system. PB's sleeve bolt technology is critical to mitigating the impact of lightning strikes on the Boeing 787 aircraft and other composite body aircraft. Located in Gardena, California, PB entered the aerospace fastener business in 1967. The PB acquisition was an asset purchase for tax purposes and operates as part of the Fastener Products segment.

Over the course of fiscal 2012, we completed several additional acquisitions which were not material, but do provide us with additional manufacturing capabilities.

The purchase price allocations for each business acquisition above, in addition to four minor acquisitions, are subject to further refinement. The impact of these acquisitions is not material to our consolidated results of operations; consequently, pro forma information has not been included.

Fiscal 2011

On January 3, 2011, we acquired an additional 1% equity interest in Yangzhou Chengde Steel Tube Co., Ltd ("Chengde") for approximately \$7 million in cash, increasing our equity interest to 50%. We continue to account for this investment under the equity method as we currently do not exercise control of the major operating and financial policies of Chengde. The carrying value of this investment as of April 1, 2012 was \$424.3 million and was included in investment in unconsolidated affiliates in our consolidated balance sheet. The carrying value of our investment in Chengde exceeded the amount of underlying equity in net assets of Chengde by approximately \$189 million as of April 1, 2012. This difference arose through the valuation process that was applied to the assets acquired.

Fiscal 2010

On September 30, 2009, we completed the acquisition of Carlton Forge Works and a related entity ("Carlton") for approximately \$847 million in cash, comprised of approximately \$502 million of cash on hand and the proceeds of approximately \$345 million of commercial paper debt issuance (subsequently repaid). Carlton, a leading manufacturer of seamless rolled rings for critical aerospace applications, offers nickel, titanium, and steel rolled rings across the widest range of product sizes in the industry. Carlton broadens our forging capabilities and enables us to provide a full range of forged products to our aerospace engine customers. The Carlton acquisition is an asset purchase for tax purposes and operates as part of our Forged Products segment. This transaction resulted in \$400.1 million of goodwill (which is deductible for tax purposes) and \$336.7 million of other intangible assets, including tradenames with indefinite lives valued at \$89.1 million, customer relationships with indefinite lives valued at \$204.8 million, customer relationships with finite lives valued at \$3.7 million, backlog valued at \$10.2 million and revenue sharing agreements valued at \$28.9 million. We also recorded a long-term liability related to the fair value of a pre-existing revenue sharing agreement valued at \$92.0 million. The impact of this acquisition was not material to our consolidated results of operations; consequently, pro-forma information has not been included.

On January 15, 2010, we acquired a 49% equity interest in Chengde for approximately \$355 million in cash, comprised of approximately \$115 million of cash on hand and the proceeds of approximately \$240 million of commercial paper debt issuance (subsequently repaid). Chengde is a leading manufacturer of seamless, extruded pipe for boiler applications in coal-fired power plants, as well as pipe and tubing for other energy-related applications, such as compressed natural gas. The company operates from one facility with a manufacturing footprint of nearly 6 million square feet in the Jiangsu Province of China. Chengde has built a leading position in the Chinese boiler pipe market and has begun to make inroads into export markets.

The above business acquisitions, in addition to four minor acquisitions in fiscal 2012, were accounted for under the

acquisition method of accounting (except for the investment in Chengde, which was accounted for under the equity method) and, accordingly, the results of operations have been included in the Consolidated Statements of Income since the acquisition date.

Discontinued operations

Our financial statements were impacted by activities relating to the planned or completed divestiture of certain of our businesses. These businesses have been accounted for under discontinued operations guidance. Accordingly, any operating results of these businesses are presented in our Consolidated Statements of Income as discontinued operations, net of income tax, and all prior periods have been reclassified.

Fiscal 2012

During the fourth quarter of fiscal 2012, we decided to divest a small non-core business in the Fastener Products segment and reclassified it to discontinued operations.

Fiscal 2011

During the second quarter of fiscal 2011, we sold an automotive fastener business. The transaction resulted in a gain of approximately \$6.4 million (net of tax).

During the first quarter of fiscal 2011, we decided to divest a small non-core business in the Fastener Products segment and reclassified it to discontinued operations. We have entered into an agreement to sell this business and expect to complete the transaction in the first quarter of fiscal 2013.

Fiscal 2010

In the fourth quarter of fiscal 2010, we decided to dispose of a small non-core business in the Fasteners Products segment and reclassified it to discontinued operations. The sale of the business was completed in the second quarter of fiscal 2011.

In the third quarter of fiscal 2010, we decided to divest a small non-core business in the Investment Cast Products segment and reclassified it to discontinued operations. The sale of the business was completed in the fourth quarter of fiscal 2010. The transaction resulted in a gain of approximately \$11.4 million (net of tax) in fiscal 2010.

In the second quarter of fiscal 2010, we recognized an impairment loss of approximately \$8.7 million (net of tax) related to two automotive fastener businesses held for sale due to continued erosion in the automotive market. The sale of these businesses was completed in the second quarter of fiscal 2011.

Subsequent events

On April 2, 2012, we acquired RathGibson, LLC ("RathGibson"). RathGibson manufactures precision thin-wall, nickel-alloy and stainless steel welded and seamless tubing, with broad capabilities in length, wall thickness, and diameter. RathGibson's products are used in a multitude of oil & gas, chemical/petrochemical processing, and power generation applications, as well as in other commercial markets. RathGibson operates three facilities in Janesville, Wisconsin; North Branch, New Jersey; and Clarksville, Arkansas, and employs more than 500 people. The RathGibson acquisition is an asset purchase for tax purposes and will be reported as part of the Forged Products segment.

On May 18, 2012, we acquired Centra Industries, a state-of-the art aerostructures manufacturer located in Cambridge, Ontario. Centra manufactures a range of machined airframe components and assemblies, in both aluminum and hard metals. Core competencies include the high-speed machining of complex, high-precision structures, sub-assembly, and kit integration. Established in 1974, Centra has approximately 400 non-union employees. The Centra acquisition is a stock purchase for tax purposes and will be reported as part of the Fastener Products segment.

On May 20, 2012, we agreed to acquire Dickson Testing Company and Aerocraft Heat Treating Company. Dickson offers a full range of destructive testing services including: mechanical properties; metallurgical and chemical analyses; and low-cycle fatigue testing. Dickson is located in South Gate, California, with approximately 110 employees. Aerocraft provides precision heat treating services for titanium and nickel alloy forgings and castings used in the aerospace industry, as well as other related services including straightening, de-twisting and forming. Aerocraft is located in Paramount, California, with nearly 60 employees. The acquisition is an asset purchase for tax purposes and will be reported as part of the Forged Products segment. The transaction is expected to be completed by July 2012.

Financial results by segment

We analyze our operating segments and manage our business across three reportable segments: Investment Cast Products, Forged Products and Fastener Products.

	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Net sales:					
Investment Cast Products	\$ 2,326.9	\$ 2,095.6	\$ 1,851.3	11%	13 %
Forged Products	3,189.5	2,779.7	2,283.0	15%	22 %
Fastener Products	1,698.2	1,344.8	1,324.9	26%	2 %
Consolidated net sales	<u>\$ 7,214.6</u>	<u>\$ 6,220.1</u>	<u>\$ 5,459.2</u>	16%	14 %
Segment operating income:					
Investment Cast Products	\$ 766.4	\$ 665.5	\$ 560.0	15%	19 %
<i>% of sales</i>	32.9%	31.8%	30.2%		
Forged Products	686.2	539.4	529.7	27%	2 %
<i>% of sales</i>	21.5%	19.4%	23.2%		
Fastener Products	488.1	411.0	440.2	19%	(7)%
<i>% of sales</i>	28.7%	30.6%	33.2%		
Corporate expense	(123.5)	(113.1)	(106.6)	9%	6 %
Total segment operating income	1,817.2	1,502.8	1,423.3	21%	6 %
<i>% of sales</i>	25.2%	24.2%	26.1%		
Interest expense, net	5.2	9.0	13.1		
Consolidated income before income tax expense and equity in earnings of unconsolidated affiliates	<u>\$ 1,812.0</u>	<u>\$ 1,493.8</u>	<u>\$ 1,410.2</u>		

	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Contractual material pass-through:					
Investment Cast Products	\$ 76.9	\$ 51.1	\$ 40.7	50%	26 %
Forged Products	210.3	170.4	201.8	23%	(16)%
Fastener Products	13.8	11.9	7.1	16%	68 %
Total contractual material pass-through	<u>\$ 301.0</u>	<u>\$ 233.4</u>	<u>\$ 249.6</u>	29%	(6)%

	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010

Intercompany sales activity:⁽¹⁾

Investment Cast Products ⁽²⁾	\$ 295.5	\$ 238.8	\$ 199.1	24%	20 %
Forged Products ⁽³⁾	927.4	740.2	703.4	25%	5 %
Fastener Products ⁽⁴⁾	115.9	99.4	84.9	17%	17 %
Total intercompany sales activity	<u>\$ 1,338.8</u>	<u>\$ 1,078.4</u>	<u>\$ 987.4</u>	24%	9 %

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- (1) *Intercompany sales activity consists of each segment's total intercompany sales activity, including intercompany sales activity within a segment and between segments.*
- (2) *Investment Cast Products: Includes intersegment sales activity of \$47.5 million, \$33.2 million and \$26.3 million for fiscal 2012, 2011 and 2010, respectively.*
- (3) *Forged Products: Includes intersegment sales activity of \$84.2 million, \$65.2 million and \$64.1 million for fiscal 2012, 2011 and 2010, respectively.*
- (4) *Fastener Products: Includes intersegment sales activity of \$4.5 million, \$4.2 million and \$2.8 million for fiscal 2012, 2011 and 2010, respectively.*

Investment Cast Products

The Investment Cast Products segment manufactures investment castings, and provides related investment casting materials and alloys, for aircraft engines, IGT engines, airframes, armaments, medical prostheses and other industrial applications.

	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Sales by Market:					
Aerospace	\$ 1,487.4	\$ 1,304.8	\$ 1,045.1	14 %	25 %
<i>% of total</i>	<i>64%</i>	<i>62%</i>	<i>57%</i>		
Power	623.5	555.8	580.6	12 %	(4)%
<i>% of total</i>	<i>27%</i>	<i>27%</i>	<i>31%</i>		
General Industrial & Other	216.0	235.0	225.6	(8)%	4 %
<i>% of total</i>	<i>9%</i>	<i>11%</i>	<i>12%</i>		
Total Sales	\$ 2,326.9	\$ 2,095.6	\$ 1,851.3	11 %	13 %
Operating income	\$ 766.4	\$ 665.5	\$ 560.0	15 %	19 %
<i>% of sales</i>	<i>32.9%</i>	<i>31.8%</i>	<i>30.2%</i>		

Fiscal 2012 compared with fiscal 2011

The Investment Cast Products segment reported fiscal 2012 sales of \$2,326.9 million, an increase of 11.0 percent from prior year sales of \$2,095.6 million. Aerospace sales increased approximately \$183 million, or 14 percent, over the prior year driven by higher build rates of commercial aircraft, including the Boeing 787, and the greater frequency of takeoffs and landings. This segment also experienced solid increases in commercial and military aftermarket sales. Within our power market, IGT sales increased by approximately \$57 million, or 11%, over the prior year, driven by both OEM orders and aftermarket demand. The increases in aerospace and IGT sales were partially offset by declines in general industrial and other sales. Sales also include \$76.9 million of higher pricing related to contractual pass-through of increased material costs compared to \$51.1 million in fiscal 2011, an increase of \$25.8 million.

Operating income for the Investment Cast Products segment was \$766.4 million or 32.9 percent of sales in fiscal 2012, compared to \$665.5 million, or 31.8 percent of sales, in fiscal 2011. Operating income increased compared to the prior year as the segment continues to generate solid incremental margins on increased sales volumes into aerospace and IGT markets. The segment improved operating margin by 1.1 percentage points year-over-year driven by the solid drop-through on increased volume, partially offset by costs associated with anticipated volume increases, including maintenance and training expenses. Contractual material pass-through pricing diluted operating margins by 1.1 percentage points in fiscal 2012 compared to 0.8 percentage points last year.

The Investment Cast Products segment anticipates growing aerospace OEM sales driven by the announced increases in Airbus and Boeing base program build rates in late calendar 2012 and early 2013, as well as by 787 production, which will continue to be a strong contributor to segment sales as build schedules ramp through this calendar year and into the next. On the IGT front, OEM sales are beginning to trend positively, providing further upside potential. We estimate that our net periodic pension expense for fiscal 2013 will increase by \$13 million, primarily due to a reduction in discount rates and amortization of actuarial losses.

Fiscal 2011 compared with fiscal 2010

The Investment Cast Products segment reported fiscal 2011 sales of \$2,095.6 million, an increase of 13.0 percent from fiscal 2010 sales of \$1,851.3 million. The year-over-year increase in sales reflects the realignment of aerospace OEM orders with production rates and aftermarket increases driven by engine schedules. Aerospace sales increased approximately \$260 million, or 25 percent, over fiscal 2010 as the destocking ended and orders driven by previously announced increases in base aircraft build rates realigned with customer demand. In addition, external alloy sales from Cannon-Muskegon more than doubled over fiscal 2010, which we believe is a leading indicator of the aerospace rebound. IGT sales decreased approximately \$33 million, or 6 percent, compared to fiscal 2010 due to continued customer destocking that began in the latter half of fiscal 2010; however, the segment experienced an increase in OEM shipments in the fourth quarter of fiscal 2011. Sales also include \$51.1 million of higher pricing related to contractual pass-through of increased material costs compared to \$40.7 million in fiscal 2010, an increase of \$10.4 million.

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Operating income for the Investment Cast Products segment was \$665.5 million or 31.8 percent of sales in fiscal 2011, compared to \$560.0 million, or 30.2 percent of sales, in fiscal 2010. Operating income increased compared to fiscal 2010 primarily due to improved leverage on increased aerospace throughput combined with improved cost performance. The segment improved operating margin by 1.6 percentage points year-over-year driven by continuous focus on productivity, scrap and rework, and other variable cost improvements in the segment's manufacturing operations. Contractual material pass-through pricing diluted operating margins by 0.8 percentage points in fiscal 2011 compared to 0.7 percentage points in fiscal 2010.

Forged Products

The Forged Products segment manufactures forged components from sophisticated titanium and nickel-based alloys principally for the aerospace and power markets, and manufactures nickel and cobalt-based alloys used to produce forged components for aerospace and non-aerospace markets which include products for oil and gas, chemical processing, and pollution control applications. The segment also provides nickel superalloy and titanium revert management solutions, re-melting various material byproducts and reusing them in casting, forging, and fastener manufacturing processes. Forged Products' sales to the aerospace and power markets are derived primarily from the same large engine customers served by the Investment Cast Products segment, with additional aerospace sales to manufacturers of landing gear and other airframe components. The Forged Products segment also produces extruded pipe for the power and oil and gas industries.

	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Sales by Market:					
Aerospace	\$ 1,692.4	\$ 1,317.1	\$ 956.0	28 %	38 %
<i>% of total</i>	<i>53%</i>	<i>47%</i>	<i>42%</i>		
Power	864.9	775.3	857.2	12 %	(10)%
<i>% of total</i>	<i>27%</i>	<i>28%</i>	<i>37%</i>		
General Industrial & Other	632.2	687.3	469.8	(8)%	46 %
<i>% of total</i>	<i>20%</i>	<i>25%</i>	<i>21%</i>		
Total Sales	\$ 3,189.5	\$ 2,779.7	\$ 2,283.0	15 %	22 %
Operating income	\$ 686.2	\$ 539.4	\$ 529.7	27 %	2 %
<i>% of sales</i>	<i>21.5%</i>	<i>19.4%</i>	<i>23.2%</i>		

Fiscal 2012 compared with fiscal 2011

The Forged Products segment reported fiscal 2012 sales of \$3,189.5 million, an increase of 15 percent from prior year sales of \$2,779.7 million. Fiscal 2012 results include the benefit from the acquisitions of KLAD, Tru-Form and Rollmet for part of the year. Similar to Investment Cast Products, this segment experienced robust OEM and aftermarket aerospace activity as aerospace sales improved by approximately \$375 million, or 28 percent, year-over-year. In addition, sales within our power market increased approximately \$90 million, or 12%, compared to the prior year. Factors contributing to this increase include growth in IGT sales due to market share gains and oil and gas sales aided by the acquisitions of Rollmet and KLAD, partially offset by a decline in interconnect pipe shipments. Although interconnect pipe sales continued to lag fiscal 2011 levels, demand is beginning to improve. General industrial sales declined approximately \$55 million, or 8%, during fiscal 2012, as the segment used more of its internal assets for billet production, with intercompany activity increasing approximately \$187 million, or 25%, over last year. Higher external selling prices of external alloy sales from the segment's three primary mills added approximately \$150 million to top-line revenues in fiscal 2012 versus fiscal 2011. Fiscal 2012 sales also include \$210.3 million of contractual pricing related to pass-through of increased raw material costs compared to \$170.4 million last year, an increase of \$39.9 million.

Operating income for the Forged Products segment was \$686.2 million or 21.5 percent of sales in fiscal 2012, compared to \$539.4 million, or 19.4 percent of sales, in fiscal 2011. The increase in operating income year-over-year was primarily driven by solid leverage from increased aerospace and IGT volume and the contribution from the acquisitions. The segment's operating margins increased by 2.1 percentage points year over year despite higher development costs associated with testing and qualifying new oil and gas products. Operationally, the segment achieved strong base incremental drop-through and increased internal metal sourcing to reduce costs. The contractual pass-through of higher raw material costs diluted operating margins by 1.5 percentage points in fiscal 2012 compared to 1.3 percentage points last year.

The Forged Products segment is poised for further aerospace growth in fiscal 2013 as base commercial aircraft and Boeing 787 production schedules begin to build. We foresee numerous opportunities for sales growth in oil and gas markets in fiscal 2013 and going forward. Delivery of the segment's Saudi Aramco nickel casing order is scheduled to begin late in the first half of fiscal 2013 and the ADNOC nickel casing order is expected to start shipping in the second quarter of fiscal 2013. We expanded our power platform with the acquisition of RathGibson, which closed two days into the first quarter of fiscal 2013. RathGibson gives us further manufacturing capabilities to serve the oil and gas industry and will enable us to offer more comprehensive bids on severe service projects going forward. We estimate that our net periodic pension expense for fiscal 2013 will increase by \$10 million, primarily due to a reduction in discount rates and amortization of actuarial losses.

Fiscal 2011 compared with fiscal 2010

The Forged Products segment reported fiscal 2011 sales of \$2,779.7 million, an increase of 22 percent from fiscal 2010 sales of \$2,283.0 million. Similar to Investment Cast Products, previous destocking activities associated with customer-owned aerospace inventory ended and new orders sparked commercial activity in this segment as aerospace sales improved by approximately \$361 million, or 38 percent, year-over-year. General industrial sales also showed continued strength, increasing by approximately \$218 million, or 46 percent, compared to fiscal 2010. Fiscal 2011 also includes four quarters of sales from Carlton, which was acquired in the third quarter of fiscal 2010. Partially offsetting these increases was a decline in power markets of approximately \$82 million, or 10 percent, compared to fiscal 2010 due to significantly lower core seamless pipe shipments. Higher external selling prices of external alloy sales from the segment's three primary mills added approximately \$111 million to top-line revenues in fiscal 2011 versus fiscal 2010. Fiscal 2011 sales also include \$170.4 million of contractual pricing related to pass-through of increased raw material costs compared to \$201.8 million in fiscal 2010, a decrease of \$31.4 million.

Operating income for the Forged Products segment was \$539.4 million or 19.4 percent of sales in fiscal 2011, compared to \$529.7 million, or 23.2 percent of sales, in fiscal 2010. The slight increase in operating income year-over-year was primarily driven by solid leverage from increased aerospace volume and the contribution from increased general industrial business, partially offset by weak seamless pipe performance. The segment's operating margin decreased by more than 3 percentage points in fiscal 2011 due to the negative impact of reduced seamless pipe volume and pricing. Growth in the segment's lower-margin general industrial markets also negatively impacted operating margin. Higher metal selling prices at the segment's three primary mills diluted operating margins by 0.8 percentage points in fiscal 2011. The contractual pass-through of higher raw material costs diluted operating margins by 1.3 percentage points in fiscal 2011 compared to 2.2 percentage points in fiscal 2010.

Fastener Products

The Fastener Products segment manufactures highly engineered fasteners, fastener systems, aerostructures, and precision components, primarily for critical aerospace applications. The balance of the segment's sales is derived from construction, automotive, heavy truck and general industrial markets, including farm machinery, mining and construction equipment, shipbuilding, machine tools, medical equipment, appliances and recreation.

	Fiscal Year			% Increase/(Decrease)	
	2012	2011	2010	2012 vs. 2011	2011 vs. 2010
Sales by Market:					
Aerospace	\$ 1,279.8	\$ 950.1	\$ 989.9	35%	(4)%
<i>% of total</i>	<i>75%</i>	<i>71%</i>	<i>75%</i>		
Power	23.6	17.2	16.8	37%	2 %
<i>% of total</i>	<i>2%</i>	<i>1%</i>	<i>1%</i>		
General Industrial & Other	394.8	377.5	318.2	5%	19 %
<i>% of total</i>	<i>23%</i>	<i>28%</i>	<i>24%</i>		
Total Sales	\$ 1,698.2	\$ 1,344.8	\$ 1,324.9	26%	2 %
Operating income	\$ 488.1	\$ 411.0	\$ 440.2	19%	(7)%
<i>% of sales</i>	<i>28.7%</i>	<i>30.6%</i>	<i>33.2%</i>		

Fiscal 2012 compared with fiscal 2011

The Fastener Products segment reported fiscal 2012 sales of \$1,698.2 million, a 26 percent increase from fiscal 2011 sales of \$1,344.8 million. Fiscal 2012 results include the contribution from the Primus and PB Fasteners acquisitions for part of the year. This segment experienced a solid recovery in aerospace sales compared to the prior year, which increased approximately \$330 million, or 35 percent, driven by a steady acceleration in orders for the segment's critical aerospace core fastener products and the contribution from acquisitions. While the gap between order levels and commercial aircraft production rates continued to close, the segment still lagged the build rates as customer inventory levels continued to be depleted. In terms of the aerostructure products within the segment, sales are tracking closely to increased commercial build rates. General industrial sales increased approximately \$17 million, or 5%, over the prior year.

Operating income for the Fasteners segment was \$488.1 million or 28.7 percent of sales in fiscal 2012, compared to \$411.0 million, or 30.6 percent of sales, in fiscal 2011. The increased volume of core product running through the Fastener Products businesses is starting to drive solid incremental drop-through, however, operating margins were reduced by 1.7% percentage points due to the inclusion of lower-margin sales from the acquisitions in fiscal 2012 results. Although the acquisitions continue to have a dilutive effect on segment operating margins, they are quickly adopting PCC operational methods and are beginning to demonstrate solid performance improvements.

The Fastener Products segment is expected to benefit when Boeing 787 production schedules accelerate and core aerospace product sales recover, although, there is no current line of sight related to the timing of these items. We also expanded our presence in the aerostructures business with the acquisition of Centra Industries in the first quarter of fiscal 2013. Aerostructures will continue to be a platform for our long-term profitable growth. We estimate that our net periodic pension expense for fiscal 2013 will increase by \$4 million, primarily due to a reduction in discount rates and amortization of actuarial losses.

Fiscal 2011 compared with fiscal 2010

The Fastener Products segment reported fiscal 2011 sales of \$1,344.8 million, a 2 percent increase from fiscal 2010 sales of \$1,324.9 million. Strong general industrial sales helped to increase year-over-year sales by approximately \$59 million, or 19 percent. Offsetting this increase was a decline in aerospace fastener sales of approximately \$40 million, or 4 percent, compared to fiscal 2010. Aerospace volume suffered from delays in the Boeing 787 production schedule and continued weakness in orders from distributors, as current aircraft production was supplied out of existing customer inventory. This segment was able to increase sales of lower margin, non-core aerospace products in order to maintain volume and mitigate the impact of the decline in core aerospace sales.

Operating income for the Fasteners segment was \$411.0 million or 30.6 percent of sales in fiscal 2011, compared to \$440.2 million, or 33.2 percent of sales, in fiscal 2010. Segment operating margins were negatively affected by the shift away from core aerospace products to lower margin, less complex fasteners, and increased general industrial volume.

Interest and taxes

Net interest expense during fiscal 2012 was \$5.2 million, compared with \$9.0 million during fiscal 2011. The reduced interest expense was primarily due to lower debt balances, partially offset by a make-whole prepayment of interest associated with the early retirement of our remaining outstanding private note. The private note was repaid in November 2011 in advance of its August 2014 stated maturity. Interest income increased as a result of an increase in cash balances invested outside the U.S. earning rates higher than U.S. interest rates.

Net interest expense in fiscal 2011 was \$9.0 million, compared with \$13.1 million in fiscal 2010. The lower net interest expense was primarily due to reduced interest expense resulting from lower debt balances and lower borrowing rates, and increased interest income resulting from higher cash balances.

The effective tax rate for fiscal 2012 was 32.8 percent, 0.7 percentage points lower than the 33.5 percent effective tax rate in fiscal 2011. The decrease in the full-year tax rate compared to the prior year was primarily due to a reduction in state taxes, increased benefits from earnings taxed at rates lower than the U.S. statutory tax rate, and benefits from non-recurring adjustments to prior year tax assets and liabilities, partially offset by reduced benefits from the research and development credit.

The effective tax rate for fiscal 2011 was 33.5 percent, 0.9 percentage points lower than the 34.4 percent effective tax rate in fiscal 2010. The decrease in the full-year tax rate compared to the prior year was primarily due to increased benefits from the federal manufacturing deduction and a reduction in non-benefited foreign losses, partially offset by reduced benefits from earnings taxed at rates lower than the U.S. statutory tax rate.

Liquidity and capital resources

Total assets of \$10,558.8 million at April 1, 2012 represented a \$1,602.9 million increase from the \$8,955.9 million balance at April 3, 2011. The increase principally reflects cash generated during the year from business operations totaling \$1,038.3 million and increased receivables in support of higher sales. Inventories also increased driven by purchases to support increasing sales, increasing internal metal and product sourcing, and an inventory build in anticipation of maintenance scheduled in the second quarter of fiscal 2013. In addition, tangible and intangible assets recorded in the acquisitions of Rollmet, Tru-Form, Primus and PB Fasteners contributed to the increase.

Total capitalization at April 1, 2012 was \$8,573.0 million, consisting of \$208.2 million of debt and \$8,364.8 million of equity. The debt-to-capitalization ratio declined to 2.4% at April 1, 2012 from 3.2% at the end of fiscal 2011, reflecting debt reductions and the impact of increased equity from earnings and stock issuances through employee stock compensation programs, partially offset by an increase in accumulated other comprehensive loss related to our pension and other postretirement plans.

Cash as of April 1, 2012 was \$698.7 million, a decrease of \$460.3 million from the end of fiscal 2011, and total debt was \$208.2 million, down \$28.4 million since the end of fiscal 2011. The net negative cash flow reflects cash paid to acquire businesses (net of cash acquired) of \$1,423.9 million and capital expenditures of \$192.1 million, partially offset by cash generated from operations of \$1,038.3 million and \$122.1 million from the issuance of common stock.

Capital spending of \$192.1 million in fiscal 2012 principally provided for cost reduction and productivity projects and equipment upgrades throughout the Company. We expect our baseline capital expenditures for fiscal 2013 to be moderately higher than fiscal 2012 based on our current forecasts. These expenditures will be targeted for equipment upgrades, capacity expansion, and cost reduction and productivity projects across all segments.

During fiscal 2012, we contributed \$69.4 million to the defined benefit pension plans, of which \$50.0 million was voluntary. In the first month of fiscal 2013, we made an additional \$50.0 million voluntary contribution to the defined benefit pension plans. We expect to contribute approximately \$12.4 million of required contributions in fiscal 2013, for total contributions to the defined benefit pension plans of approximately \$62.4 million in fiscal 2013. In addition, we contributed \$8.5 million to the other postretirement benefit plans during fiscal 2012. We expect to contribute approximately \$7.0 million to the other postretirement benefit plans during fiscal 2013.

In July 2010, we paid \$38.3 million to one of our postretirement medical benefit plans that was jointly administered with a union. This payment and the related administrative changes remove PCC and its affiliates from any further financial, administrative or fiduciary responsibilities to this plan, and we therefore accounted for these events as a settlement of the plan and reversed the related liability. There was no significant gain or loss associated with the settlement.

During fiscal 2012, we closed on eight acquisitions in the amount of \$1,423.9 million. These acquisitions were funded from cash on hand and the proceeds from commercial paper debt issuances, which was repaid prior to the end of the third quarter of fiscal 2012.

Historically, we have issued commercial paper as a method of raising short-term liquidity. We believe we continue to have the ability to issue commercial paper and have issued commercial paper to cover acquisitions and short-term cash requirements in recent quarters. There were no commercial paper borrowings outstanding as of April 1, 2012 or April 3, 2011. During fiscal 2012, the average amount of commercial paper borrowings outstanding was \$57.6 million and the weighted average interest rate was 0.3%. During fiscal 2011, the average amount of commercial paper borrowings outstanding was \$21.5 million and the weighted average interest rate was 0.3%. During fiscal 2012 and 2011, the largest daily balance of outstanding commercial paper borrowings was \$390.0 million and \$210.0 million, respectively. We do not anticipate any changes in our ability to borrow under our current credit facility, but changes in the financial condition of the participating financial institutions could negatively impact our ability to borrow funds in the future. Should that circumstance arise, we believe that we would be able to arrange any needed financing, although we are not able to predict what the terms of any such borrowings would be, or the source of the borrowed funds.

On November 30, 2011, we entered into a credit agreement (the "New Credit Agreement") with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer, Wells Fargo Bank, National Association and Citibank, N.A., as Syndication Agents, and other lenders from time to time party thereto (collectively the "Lenders"). On the same day, we also terminated our prior credit agreement with Bank of America, N.A. and the other lenders under such agreement. The New Credit Agreement consists of a five-year, \$1.0 billion revolving credit facility (with a \$500 million increase option, subject to approval of the Lenders) maturing November 30, 2016, unless extended pursuant to two 364-day extension options (subject to approval of the Lenders). The New Credit Agreement is unsecured and contains customary representations and warranties, events of default, and financial and other covenants.

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Our unused borrowing capacity as of April 1, 2012 was \$1.0 billion under the New Credit Agreement. Our financial covenant requirement and actual ratio as of April 1, 2012 was as follows:

	Covenant Requirement	Actual
Consolidated leverage ratio ¹	65.0% (maximum)	2.4%

(1) Terms are defined in the New Credit Agreement.

As of April 1, 2012, we were in compliance with the financial covenant in the New Credit Agreement.

We believe we will be able to meet our short and longer-term liquidity needs for working capital, pension and other postretirement benefit obligations, capital spending, cash dividends, scheduled repayment of debt and potential acquisitions with the cash generated from operations, borrowing from our \$1.0 billion revolving credit facility or new bank credit facilities, the issuance of public or privately placed debt securities, or the issuance of equity instruments.

Contractual obligations and commercial commitments

We are obligated to make future payments under various contracts such as debt agreements and lease agreements. The following table represents our contractual payment obligations as of April 1, 2012 and the estimated timing of future cash payments:

Contractual Cash Obligations	Total	2013	2014	2015	2016	2017	Thereafter
Long-term debt	\$ 208.2	\$ 0.5	\$ 202.0	\$ 0.2	\$ 5.5	\$ —	\$ —
Operating leases ⁽¹⁾	147.4	28.2	22.7	18.5	13.6	9.8	54.6
Cash contributions to qualified pension plans	60.8	12.4	12.1	12.1	12.1	12.1	—
Interest on fixed-rate debt	23.0	10.5	8.0	1.8	1.7	1.0	—
Interest on variable-rate debt ⁽²⁾	3.7	2.1	1.6	—	—	—	—
Total	<u>\$ 443.1</u>	<u>\$ 53.7</u>	<u>\$ 246.4</u>	<u>\$ 32.6</u>	<u>\$ 32.9</u>	<u>\$ 22.9</u>	<u>\$ 54.6</u>

(1) Operating lease obligations include \$42.8 million attributable to operations held-for-sale.

(2) Interest on variable-rate debt is based on current prevailing interest rates.

Our reserve for uncertain tax positions at April 1, 2012 was \$12.9 million. Due to the uncertainties associated with settling these liabilities, we are unable to make reasonable estimates of the period of cash settlement of these liabilities. As a result, our reserve for unrecognized tax benefits is excluded from the table above. See Note 10 to the Consolidated Financial Statements for additional information regarding our reserve for uncertain tax positions.

We also have benefit payments due under our non-qualified pension and other post-retirement benefit plans that are not required to be funded in advance, but are pay-as-you-go. See Note 18 to the Consolidated Financial Statements for additional information.

Critical accounting policies

We have identified the policies below as critical to our business operations and the understanding of our results of operations. The impact and any associated risks related to these policies on our business operations are discussed throughout Management's Discussion and Analysis where such policies affect reported and expected financial results. For a detailed discussion on the application of these and other significant accounting policies, see the Notes to the Consolidated Financial Statements of this Annual Report. Note that the preparation of this Annual Report requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Revenue recognition

We recognize revenue when the earnings process is complete. This generally occurs when products are shipped to the customer in accordance with the contract or purchase order, ownership and risk of loss have passed to the customer, collectibility is reasonably assured, and pricing is fixed and determinable. In instances where title does not pass to the customer

upon shipment, we recognize revenue upon delivery or customer acceptance, depending on terms of the sales agreement. Service sales, representing maintenance and engineering activities, are recognized as services are performed. Shipping and handling costs billed to customers are included in revenue.

Valuation of inventories

All inventories are stated at the lower of their cost or market value, with the market value being determined based on sales in the ordinary course of business. Cost for inventories at a significant number of our operations is determined on a last-in, first-out (“LIFO”) basis. The average inventory cost method is utilized for most other inventories. We regularly review inventory quantities on hand and record a provision for excess or obsolete inventory equal to the difference between the cost of the inventory and the estimated market value based on the age, historical usage or assumptions about future demand for the inventory. We also regularly review inventory balances on a LIFO basis to ensure the balances are stated at the lower of cost or market as of the balance sheet date. For those inventories valued using LIFO, their carrying value may be higher or lower than current replacement costs for such inventory, since the LIFO costing assumption matches current costs with current sales, not with current inventory values. When the LIFO cost is greater than the current cost, there is an increased likelihood that our inventories could be subject to write-downs to market value. While historical write-downs have not been material, if actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required, which could have a significant impact on the value of our inventories and reported operating results.

Goodwill and acquired intangibles

From time to time, we acquire businesses in purchase transactions that typically result in the recognition of goodwill and other intangible assets, which may affect the amount of future period amortization expense and possible impairment charges. The determination of the value of such intangible assets requires management to make estimates and assumptions that affect the consolidated financial statements.

Goodwill and indefinite-lived intangible assets related to our continuing operations are tested for impairment at a minimum each fiscal year at the end of the second month in the second quarter or when events or circumstances indicate that the carrying value of these assets exceeds their fair value. For fiscal 2012, our reporting units consisted of two operating segments within our Investment Cast Products reportable operating segment, two operating segments within our Forged Products reportable operating segment, as well as four reporting units in our Fastener Products reportable operating segment. PCC Aerostructures, which was acquired in the second quarter of fiscal 2012, will be tested for goodwill impairment in fiscal 2013. The Fastener Products operating segment includes several aggregated component units (referred to as the Fastener Products reporting unit), PCC Aerostructures, and two other reporting units.

Testing for goodwill impairment involves the estimation of the fair value of the reporting units. Discounted cash flow models are typically used in these valuations. Such models require the use of significant estimates and assumptions primarily based on future cash flows, expected market growth rates, our estimates of sales volumes, sales prices and related costs, and the discount rate applied, which reflects the weighted average cost of capital. Management uses the best available information at the time fair values of the reporting units are estimated; however, estimates could be materially impacted by factors such as changes in growth trends and specific industry conditions, with the potential for a corresponding adverse effect on the consolidated financial statements potentially resulting from an impairment of the goodwill. We also consider comparable transactions to estimate the fair value of the reporting units. The cash flow models used to determine fair value are most sensitive to the expected future cash flows and the discount rate for each reporting unit. The discount rate used in the cash flow models for the fiscal 2012 goodwill impairment analysis ranged from 9% to 15% depending on the reporting unit. The annual growth rate for earnings before interest and taxes varied by reporting unit and ranged from 3% to 11% over the initial five-year forecast period. A sensitivity analysis determined that using terminal growth rates of 3%, 4% or 5% would not result in impairment in the fiscal 2012 goodwill impairment analysis. We performed a sensitivity analysis on both of these factors and determined that the forecast for future earnings before interest and taxes used in the cash flow model could decrease by 36% or the discount rate utilized could increase by 5%, and the goodwill of our reporting units would not be impaired. The reporting unit that would be most sensitive to worsening economic conditions has \$78.9 million of goodwill recorded as of April 1, 2012.

The impairment test for indefinite-lived intangible assets encompasses calculating the fair value of an indefinite-lived intangible asset and comparing the fair value to its carrying value. If the carrying value exceeds the estimated fair value, impairment is recorded. For fiscal 2012 and 2011, it was determined that the fair value of indefinite-lived intangible assets was greater than the carrying value.

Environmental costs

The estimated future costs for known environmental remediation requirements are accrued on an undiscounted basis when it is probable that a liability has been incurred and the amount of remediation costs can be reasonably estimated. When

only a range of amounts is established, and no amount within the range is better than another, the minimum amount of the range is recorded. Recoveries of environmental remediation costs from other parties are recorded as assets when collection is probable. Adjustments to our accruals may be necessary to reflect new information as investigation and remediation efforts proceed. The amounts of any such adjustments could have a material adverse effect on our results of operations in a given period, but any amounts, and the possible range of any amounts in excess of those already accrued, are not reasonably estimable at this time. Total environmental liabilities accrued at April 1, 2012 and April 3, 2011 were \$71.4 million and \$66.8 million, respectively.

Guidance on asset retirement and environmental obligations clarifies the term conditional asset retirement obligation and requires a liability to be recorded if the fair value of the obligation can be reasonably estimated. Asset retirement obligations covered by this guidance include those for which an entity has a significant obligation to perform an asset retirement activity; however, the timing or method of settling the obligation are conditional on a future event that may not be within the control of the entity. This guidance also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation.

In accordance with the asset retirement and environmental obligations guidance, we record all known asset retirement obligations for which the liability can be reasonably estimated. Currently, we have identified known asset retirement obligations associated with environmental contamination at two of our manufacturing facilities. However, we have not recognized a liability under this guidance for these retirement obligations because the fair value of remediation at these sites cannot be reasonably estimated since the settlement date is unknown at this time. The settlement date is unknown because remediation of these sites is not required until production ceases, and we have no current plans to cease production. These asset retirement obligations, when estimable, are not expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or business.

Income taxes

Provisions for federal, state and foreign income taxes are calculated on reported pre-tax earnings based on current tax law and also include, in the current period, the cumulative effect of any changes in tax rates from those used previously in determining deferred tax assets and liabilities. Such provisions differ from the amounts currently receivable or payable because certain items of income and expense are recognized in different time periods for financial reporting purposes than for income tax purposes. Significant judgment is required in determining income tax provisions and evaluating tax positions. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Tax benefits arising from uncertain tax positions are recognized when it is more likely than not that the position will be sustained upon examination by the relevant tax authorities. The amount recognized in the financial statements is the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. We recognize interest and penalties, if any, related to uncertain tax positions in income tax expense.

Pension and other postretirement benefit plans

We sponsor many U.S. and non-U.S. defined benefit pension plans. Our pension and postretirement benefit plans are accounted for in accordance with defined benefit pension and other postretirement plans accounting guidance. Plan assets have been valued at fair value in accordance with this guidance. Pension and postretirement expense and liability amounts are derived from several significant assumptions, including the discount rate, expected return on plan assets and health care cost trend rate. For valuation of our pension liabilities, we derive a market-based discount rate from yields on high quality, liquid fixed income securities at the end of our fiscal year. We use only highly-rated bonds (AA/Aa or higher) to estimate the interest rate at which our pension benefits could be effectively settled. For our U.S. Plans, we used a discount rate assumption of 4.85% for the total benefit obligation of our pension plans at our April 1, 2012 measurement date. For our non-U.S. Plans, we used a discount rate assumption of 5.27% for the total benefit obligation of our pension plans at our April 1, 2012 measurement date.

In developing the long-term rate of return on plan assets assumptions, we evaluate input from third party investment consultants and actuaries, review asset allocation and investment strategies, ranges of projected and historical returns, and inflation and economic assumptions. The expected return assumptions are derived from asset allocations within the Company's target asset allocation ranges consistent with our diversified investment approach. As the assumed rate of return on plan assets is a long-term assumption, it is not anticipated to be as volatile as the discount rate, which is a point-in-time measurement. For our U.S. Plans, we used a long-term rate of return assumption of 8.0% to calculate the 2012 and 2011 net periodic pension cost. For our non-U.S. Plans, we used a long-term rate of return assumption of 7.5% to calculate the 2012 and 2011 net periodic pension cost. For fiscal 2012, our U.S. net periodic pension expense was \$25.7 million and non-U.S. net periodic pension income was \$3.5 million. We estimate that for fiscal 2013, our U.S. net periodic pension expense will be approximately \$51.2 million and non-U.S. net periodic pension expense will be approximately \$3.0 million. The increase in estimated expense is

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primarily due to a reduction in the discount rates used in determining the net periodic pension cost and amortization of actuarial losses. Absent increases in interest rates, higher asset values and/or higher contributions, net periodic pension cost will increase further in future years. Our U.S. net postretirement benefit cost was \$5.5 million for fiscal 2012, and we estimate that for fiscal 2013, our U.S. net postretirement benefit cost will be \$6.4 million.

The table below quantifies the approximate impact, as of April 1, 2012, of a one-quarter percentage point decrease in our assumptions for discount rate and expected return on assets, holding other assumptions constant.

	0.25 Percentage Point Decrease
Increase in annual costs:	
Discount rate	\$ 6.9
Expected long-term rate of return	\$ 4.2
Increase in projected benefit obligation:	
Discount rate	\$ 71.8

The approximate impact, as of April 1, 2012, of a one percentage point increase in our assumption for the health care cost trend rate, holding other assumptions constant, on our total service and interest cost components and accumulated postretirement benefit obligation is not significant.

Recently issued accounting standards

In December 2011, the Financial Accounting Standards Board ("FASB") issued guidance increasing disclosures regarding offsetting assets and liabilities. For derivatives and financial assets and liabilities, the amendments require disclosure of gross asset and liability amounts, amounts offset on the balance sheet, and amounts subject to the offsetting requirements but not offset on the balance sheet. The guidance is effective for the Company beginning the first quarter of fiscal 2014 and is to be applied retrospectively. As this guidance only requires expanded disclosures, the adoption of this guidance is not expected to have a significant impact on our consolidated financial position, results of operations, or cash flows.

In June 2011, the FASB issued guidance that requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income in either a single continuous statement or two separate but consecutive statements. This guidance does not change the items that must be reported in OCI. In December 2011, the FASB deferred some aspects of the June guidance that relate to the presentation of reclassification adjustments. The FASB is considering whether to present the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income on the face of the financial statements. The guidance is effective for the Company beginning the first quarter of fiscal 2013 and is to be applied retrospectively. The Company is currently evaluating how it will report comprehensive income, but either method permitted will constitute a change in the Company's financial statement presentation.

In September 2011, the FASB issued guidance to aid in an entity's assessment of goodwill and whether it is necessary to perform the two-step quantitative goodwill impairment test. Under this guidance, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amendments include a number of events and circumstances for an entity to consider in conducting the qualitative assessment. This pronouncement will be effective in the first quarter of fiscal 2013. As this guidance only modifies the requirements of impairment testing, the adoption will not impact our consolidated financial position, results of operations, or cash flows.

In September 2011, the FASB also issued guidance that increases the quantitative and qualitative disclosures an employer is required to provide about its participation in significant multiemployer plans that offer pension or other postretirement benefits. The objective of this guidance is to enhance the transparency of disclosures about the significant multiemployer plans in which an employer participates, the level of the employer's participation in those plans, the financial health of the plans, and the nature of the employer's commitments to the plans. This pronouncement has been adopted and disclosure is included within Note 18—Pension and Other Postretirement Benefit Plans. As this guidance only requires expanded disclosures, the adoption did not impact our consolidated financial position, results of operations, or cash flows.

In May 2011, the FASB issued guidance that amends existing measurement guidance and expands disclosure requirements for fair value measurements, particularly for "Level 3" (as defined in the accounting guidance) inputs. This guidance was effective in the fourth

quarter of fiscal 2012. The adoption of this guidance did not have a significant impact on our consolidated financial position, results of operations, or cash flows.

In January 2010, the FASB issued guidance that requires certain disclosures and clarifies existing disclosure requirements for fair value measurements. Specifically, the changes require disclosure of transfers into and out of “Level 1” and “Level 2” (as defined in the accounting guidance) fair value measurements, and also require more detailed disclosure about the activity within Level 3 fair value measurements. This guidance was effective for the Company in the fourth quarter of fiscal 2010, except for disclosures about purchases, sales, issuances and settlements of Level 3 assets and liabilities, which was effective in the first quarter of fiscal 2012. As this guidance only requires expanded disclosures, the adoption did not impact our consolidated financial position, results of operations, or cash flows.

In October 2009, the FASB issued amendments to the accounting and disclosure for revenue recognition for multiple element arrangements. These amendments modify the criteria for recognizing revenue and require enhanced disclosures for multiple element-deliverable revenue arrangements. This guidance was effective in the first quarter of fiscal 2012. The adoption of this guidance did not have a significant impact on our consolidated financial position, results of operations, or cash flows.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At various times, we use derivative financial instruments to limit exposure to changes in foreign currency exchange rates, interest rates and prices of strategic raw materials. Because derivative instruments are used solely as hedges and not for speculative trading purposes, fluctuations in the market values of such derivative instruments are generally offset by reciprocal changes in the underlying economic exposures that the instruments are intended to hedge. For further discussion of derivative financial instruments, refer to Item 8. Financial Statements and Supplementary Data.

Interest Rate Risk

We have variable rate debt obligations that expose us to interest rate risk. If market interest rates had averaged 10 percent higher than actual levels in fiscal 2012 or 2011, the effect on our interest expense and net income would not have been material.

Foreign Currency Risk

The majority of our revenue, expense and capital purchasing activities are transacted in U.S. dollars; however, we are exposed to fluctuations in foreign currencies for transactions denominated in other currencies. As discussed in the “Summary of Significant Accounting Policies” in the Financial Statements and Supplementary Data, we had foreign currency hedges in place at April 1, 2012 and April 3, 2011 to reduce such exposure. The estimated loss in fair value on foreign currency hedges outstanding as of April 1, 2012, from a hypothetical 10 percent adverse change in exchange rates, would not have been material.

Material Cost Risk

We have entered into long-term supply agreements to fix the purchase price of certain strategic raw materials as of April 1, 2012 and April 3, 2011. In addition, we had escalation clauses related to raw material pricing in certain of our sales contracts at April 1, 2012 and April 3, 2011. If market rates had averaged 10 percent higher than actual levels in either fiscal 2012 or 2011, the effect on our cost of sales and net earnings, after considering the effects of these supply agreements and related sales contracts, would not have been material.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
Consolidated Statements of Income

<i>(In millions, except per share data)</i>	Fiscal Years Ended		
	April 1, 2012	April 3, 2011	March 28, 2010
Net sales	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2
Costs and expenses:			
Cost of goods sold	4,949.3	4,326.7	3,668.8
Selling and administrative expenses	448.1	390.6	367.1
Interest expense	12.8	13.5	16.2
Interest income	(7.6)	(4.5)	(3.1)
Total costs and expenses	5,402.6	4,726.3	4,049.0
Income before income tax expense and equity in earnings of unconsolidated affiliates	1,812.0	1,493.8	1,410.2
Income tax expense	(594.4)	(499.7)	(485.7)
Equity in earnings of unconsolidated affiliates	14.6	16.6	1.4
Net income from continuing operations	1,232.2	1,010.7	925.9
Net (loss) income from discontinued operations	(6.4)	4.1	(3.3)
Net income	1,225.8	1,014.8	922.6
Net income attributable to noncontrolling interests	(1.7)	(1.3)	(0.8)
Net income attributable to Precision Castparts Corp. ("PCC")	\$ 1,224.1	\$ 1,013.5	\$ 921.8
Net income (loss) per common share attributable to PCC shareholders—basic:			
Net income per share from continuing operations	\$ 8.52	\$ 7.07	\$ 6.57
Net (loss) income per share from discontinued operations	(0.04)	0.03	(0.02)
Net income per share (basic)	\$ 8.48	\$ 7.10	\$ 6.55
Net income (loss) per common share attributable to PCC shareholders—diluted:			
Net income per share from continuing operations	\$ 8.45	\$ 7.01	\$ 6.51
Net (loss) income per share from discontinued operations	(0.04)	0.03	(0.02)
Net income per share (diluted)	\$ 8.41	\$ 7.04	\$ 6.49
Weighted average common shares outstanding:			
Basic	144.4	142.7	140.7
Diluted	145.6	143.9	142.1

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets

(In millions, except share data)

	April 1, 2012	April 3, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 698.7	\$ 1,159.0
Receivables, net of allowance of \$3.9 in 2012 and \$2.5 in 2011	1,188.4	978.7
Inventories	1,817.6	1,459.4
Prepaid expenses and other current assets	29.6	21.0
Income tax receivable	7.9	20.0
Discontinued operations	43.6	12.5
Total current assets	3,785.8	3,650.6
Property, plant and equipment:		
Land	91.2	86.2
Buildings and improvements	357.3	332.6
Machinery and equipment	2,015.2	1,856.0
Construction in progress	144.8	85.4
	2,608.5	2,360.2
Accumulated depreciation	(1,286.3)	(1,165.4)
Net property, plant and equipment	1,322.2	1,194.8
Goodwill	3,514.5	2,889.2
Acquired intangible assets, net	1,228.1	455.1
Investment in unconsolidated affiliates	442.8	411.9
Other assets	195.4	309.0
Discontinued operations	70.0	45.3
	\$ 10,558.8	\$ 8,955.9
Liabilities and Equity		
Current liabilities:		
Long-term debt currently due	\$ 0.5	\$ 14.7
Accounts payable	715.2	607.8
Accrued liabilities	335.2	304.0
Deferred income taxes	1.4	9.3
Discontinued operations	18.6	6.2
Total current liabilities	1,070.9	942.0
Long-term debt	207.7	221.9
Pension and other postretirement benefit obligations	358.9	252.5
Other long-term liabilities	279.6	180.6
Deferred income taxes	259.1	194.4
Discontinued operations	17.8	—
Commitments and contingencies (See Notes)		
Shareholders' equity:		
Preferred stock, no par, 1,000,000 shares authorized and unissued in 2012 and 2011	—	—
Common stock, \$1 stated value, authorized: 450,000,000 shares; issued and outstanding: 145,257,531 and 143,711,541 shares in 2012 and 2011	145.3	143.7
Paid-in capital	1,653.6	1,455.7

Retained earnings	7,003.5	5,796.7
Accumulated other comprehensive loss	(441.7)	(234.6)
Total PCC shareholders' equity	8,360.7	7,161.5
Noncontrolling interest	4.1	3.0
Total equity	8,364.8	7,164.5
	<u>\$ 10,558.8</u>	<u>\$ 8,955.9</u>

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(In millions)	Fiscal Years Ended		
	April 1, 2012	April 3, 2011	March 28, 2010
Operating Activities:			
Net income	\$ 1,225.8	\$ 1,014.8	\$ 922.6
Net loss (income) from discontinued operations	6.4	(4.1)	3.3
Non-cash items:			
Depreciation and amortization	169.8	163.8	151.8
Deferred income taxes	70.8	77.7	150.9
Stock-based compensation expense	48.4	47.3	41.1
Excess tax benefits from share-based payment arrangements	(29.6)	(30.3)	(23.1)
Other non-cash adjustments	(15.8)	(9.5)	2.1
Changes in assets and liabilities, excluding effects of acquisitions and dispositions of businesses:			
Receivables	(145.6)	(123.9)	131.7
Inventories	(223.8)	(7.6)	(120.7)
Prepaid expenses and other current assets	(6.2)	0.9	(5.1)
Income taxes receivable and payable	40.2	82.5	(76.0)
Payables and accruals	31.0	31.7	(85.0)
Pension and other postretirement benefit plans	(51.3)	(108.5)	(184.4)
Other non-current assets and liabilities	(55.1)	(88.4)	5.9
Net cash used by operating activities of discontinued operations	(26.7)	(8.4)	(5.3)
Net cash provided by operating activities	1,038.3	1,038.0	909.8
Investing Activities:			
Acquisitions of businesses, net of cash acquired	(1,423.9)	(37.2)	(864.2)
Investment in unconsolidated affiliates	—	(11.2)	(351.0)
Capital expenditures	(192.1)	(120.4)	(169.5)
Dispositions of businesses	—	17.6	24.8
Other investing activities, net	26.4	16.0	(17.9)
Net cash provided by investing activities of discontinued operations	—	2.3	2.0
Net cash used by investing activities	(1,589.6)	(132.9)	(1,375.8)
Financing Activities:			
Net change in long-term debt	(28.6)	(14.7)	(55.3)
Common stock issued	122.1	116.3	89.0
Excess tax benefits from share-based payment arrangements	29.6	30.3	23.1
Cash dividends	(17.3)	(17.1)	(16.9)
Other financing activities, net	(2.4)	(1.2)	—
Net cash used by financing activities of discontinued operations	—	—	(1.0)
Net cash provided by financing activities	103.4	113.6	38.9
Effect of exchange rate changes on cash and cash equivalents	(12.4)	27.9	(15.0)
Net (decrease) increase in cash and cash equivalents	(460.3)	1,046.6	(442.1)
Cash and cash equivalents at beginning of year	1,159.0	112.4	554.5
Cash and cash equivalents at end of year	\$ 698.7	\$ 1,159.0	\$ 112.4
Supplemental Disclosures			
Cash paid during the year for:			

Interest	\$	12.1	\$	13.0	\$	15.4
Income taxes, net of refunds received	\$	483.1	\$	354.6	\$	405.6
Non-cash investing and financing activities:						
Dividends declared but not paid	\$	4.4	\$	4.3	\$	4.3

See Notes to Consolidated Financial Statements.

Consolidated Statements of Equity and Comprehensive Income

(In millions, except per share data)	PCC Shareholders					Non-controlling Interest	Total Equity	Comprehensive Income
	Common Stock Outstanding		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) / Income			
	Shares	Amount						
Balance at March 29, 2009	139.9	\$ 139.9	\$ 1,112.7	\$ 3,895.4	\$ (288.2)	\$ 3.3	\$ 4,863.1	
Common stock issued pursuant to stock plans	2.0	2.0	87.0	—	—	—	89.0	
Stock-based compensation expense	—	—	42.2	—	—	—	42.2	
Tax benefit from stock-based compensation	—	—	21.9	—	—	—	21.9	
Cash dividends (\$0.12 per share)	—	—	—	(16.9)	—	—	(16.9)	
Distributions to noncontrolling interests	—	—	—	—	—	(1.2)	(1.2)	
Net income	—	—	—	921.8	—	0.8	922.6	\$ 922.6
Foreign currency translation adjustments	—	—	—	—	43.3	—	43.3	43.3
Gain (loss) on derivatives:								
Unrealized gains (losses) due to periodic revaluations, net of \$3.0 tax expense	—	—	—	—	4.5	—	4.5	4.5
Less: reclassification adjustment for losses (gains) included in net income, net of \$(1.4) tax benefit	—	—	—	—	4.3	—	4.3	4.3
Pension and post retirement obligations, net of \$(38.8) tax benefit	—	—	—	—	(81.1)	—	(81.1)	(81.1)
Balance at March 28, 2010	141.9	141.9	1,263.8	4,800.3	(317.2)	2.9	5,891.7	\$ 893.6
Common stock issued pursuant to stock plans	1.8	1.8	114.5	—	—	—	116.3	
Stock-based compensation expense	—	—	48.6	—	—	—	48.6	
Tax benefit from stock-based compensation	—	—	28.8	—	—	—	28.8	
Cash dividends (\$0.12 per share)	—	—	—	(17.1)	—	—	(17.1)	
Distributions to noncontrolling interests	—	—	—	—	—	(1.2)	(1.2)	
Net income	—	—	—	1,013.5	—	1.3	1,014.8	\$ 1,014.8
Foreign currency translation adjustments	—	—	—	—	109.5	—	109.5	109.5
Gain (loss) on derivatives:								
Unrealized gains (losses) due to periodic revaluations, net of \$(0.1) tax benefit	—	—	—	—	3.7	—	3.7	3.7
Less: reclassification adjustment for (gains) losses included in net income, net of \$2.0 tax expense	—	—	—	—	(4.3)	—	(4.3)	(4.3)
Pension and post retirement obligations, net of \$(14.5) tax benefit	—	—	—	—	(26.3)	—	(26.3)	(26.3)
Balance at April 3, 2011	143.7	143.7	1,455.7	5,796.7	(234.6)	3.0	7,164.5	\$ 1,097.4
Common stock issued pursuant to stock plans	1.6	1.6	120.5	—	—	—	122.1	
Stock-based compensation expense	—	—	49.4	—	—	—	49.4	
Tax benefit from stock-based compensation	—	—	28.0	—	—	—	28.0	
Cash dividends (\$0.12 per share)	—	—	—	(17.3)	—	—	(17.3)	
Distributions to noncontrolling interests	—	—	—	—	—	(0.6)	(0.6)	
Net income	—	—	—	1,224.1	—	1.7	1,225.8	\$ 1,225.8
Foreign currency translation adjustments	—	—	—	—	(13.1)	—	(13.1)	(13.1)

Gain (loss) on derivatives:								
Unrealized (losses) gains due to periodic revaluations, net of \$(0.5) tax benefit	—	—	—	—	(0.8)	—	(0.8)	(0.8)
Less: reclassification adjustment for (gains) losses included in net income, net of \$0.1 tax expense	—	—	—	—	(0.2)	—	(0.2)	(0.2)
Pension and post retirement obligations, net of \$(98.5) tax benefit	—	—	—	—	(193.0)	—	(193.0)	(193.0)
Balance at April 1, 2012	145.3	\$ 145.3	\$ 1,653.6	\$ 7,003.5	\$ (441.7)	\$ 4.1	\$ 8,364.8	\$ 1,018.7

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED STATEMENTS

(In millions, except option share and per share data)

1. Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of Precision Castparts Corp. ("PCC", the "Company", or "we") and subsidiaries after elimination of intercompany accounts and transactions. Subsidiaries include majority-owned companies and other companies which are fully consolidated based on PCC having a controlling financial interest or an obligation to consolidate under accounting principles generally accepted in the United States of America ("GAAP"). Investments in affiliated companies are accounted for using the equity method when PCC has a non-controlling ownership interest, generally between twenty and fifty percent, giving us significant influence; and investments are accounted for using the cost method when PCC has a non-controlling ownership interest of less than 20 percent. Unless otherwise noted, disclosures herein pertain to our continuing operations. Our fiscal year is based on a 52-53 week year ending the Sunday closest to March 31.

Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Such reclassifications had no effect on previously reported shareholders' equity or net income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid short-term instruments with maturities of three months or less at the time of purchase. These investments are available for sale with market values approximating cost.

Inventories

All inventories are stated at the lower of cost or current market values. Cost for inventories at the majority of our operations is determined on a last-in, first-out ("LIFO") basis. The average inventory cost method is utilized for most other inventories. Costs utilized for inventory valuation purposes include material, labor and manufacturing overhead.

Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of plant and equipment is computed using the straight-line method based on the estimated service lives of the assets. Estimated service lives are generally 20 to 40 years for buildings and improvements, 3 to 12 years for machinery and equipment and 3 to 7 years for computer hardware and software. Depreciation expense was \$154.6 million, \$148.3 million and \$139.2 million in fiscal 2012, 2011 and 2010, respectively. Gains and losses from the disposal of property, plant and equipment are included in the consolidated statements of income and were not material for any year presented. Expenditures for routine maintenance, repairs and minor improvements are charged to expense as incurred.

Goodwill and acquired intangible assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses, and acquired intangible assets represent items such as patents, proprietary technology, tradenames, backlog and customer relationships that are assigned a fair value at the date of acquisition. Goodwill and other intangible assets deemed to have indefinite lives are not subject to amortization in accordance with accounting guidance provided by GAAP through the Accounting Standards Codification ("guidance"). Goodwill and intangible assets with indefinite lives are tested for impairment at a minimum each fiscal year in the second quarter, or when impairment indicators exist, using the guidance and criteria described in the guidance. This testing compares the carrying values of each intangible asset or reporting unit to estimated fair values. If the carrying value of these assets is in excess of estimated fair value, the carrying value is reduced to their estimated fair value or, in the case of goodwill, implied fair value.

Acquired intangible assets with finite lives are amortized using the straight-line method and include the following: patents, 1 to 19 years; proprietary technology, 15 years; tradenames, 3 years; customer relationships, 3 to 15 years; and backlog, 0 to 5 years.

Long-lived assets

Long-lived assets held for use are subject to an impairment assessment upon certain triggering events. If the carrying value is no longer recoverable based upon the undiscounted future cash flows, an impairment is recorded for the difference between the carrying amount and the fair value of the asset. Long-lived assets considered held for sale are stated at the lower of carrying value or fair value less the cost to sell.

Revenue recognition

We recognize revenue when the earnings process is complete. This generally occurs when products are shipped to the customer in accordance with the contract or purchase order, ownership and risk of loss have passed to the customer, collectibility is reasonably assured, and pricing is fixed and determinable. In instances where title does not pass to the customer upon shipment, we recognize revenue upon delivery or customer acceptance, depending on terms of the sales agreement. Service sales, representing maintenance and engineering activities, are recognized as services are performed.

Shipping and handling fees and costs

Shipping and handling fees and costs charged to customers are reflected in net revenues and cost of goods sold as appropriate.

Environmental costs

The estimated future costs for known environmental remediation requirements are accrued on an undiscounted basis when it is probable that a liability has been incurred and the amount of remediation costs can be reasonably estimated. When only a range of amounts is established, and no estimated amount within the range is better than another, the minimum amount of the range is recorded. Recoveries of environmental remediation costs from other parties are recorded as assets when collection is probable. Adjustments to our accruals may be necessary to reflect new information as investigation and remediation efforts proceed. The amounts of any such adjustments could have a material adverse effect on our results of operations in a given period, but any amounts, and the possible range of any amounts in excess of those already accrued, are not reasonably estimable at this time. Total environmental liabilities accrued at April 1, 2012 and April 3, 2011 were \$71.4 million and \$66.8 million, respectively.

Research and development

We have departments involved in research and development in all three of our reportable segments. The research and development effort at these operations is directed at the technical aspects of developing new and improved manufacturing processes. Expenditures for research and development activities at these departments amounted to \$17.8 million in fiscal 2012, \$17.1 million in fiscal 2011, and \$25.6 million in fiscal 2010.

Foreign currency translation

Assets and liabilities of our foreign affiliates are translated at current foreign currency exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as a component of shareholders' equity.

Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, except those transactions that have been designated as hedges of identifiable foreign currency commitments or investment positions, are included in the results of operations as incurred. Transaction gains and losses had no material impact on our results of operations for any year presented.

Financial instruments

Our financial instruments include cash and cash equivalents, debt, and derivative instruments, including foreign currency forward contracts and options, commodity swap and interest rate swap contracts. Because of their short maturity, the carrying amounts of cash and cash equivalents and short-term bank debt approximate fair value. Fair value of long-term debt is based on quoted market prices or estimated using our borrowing rate at year-end for similar types of borrowing arrangements. Refer to Note 12—Fair value measurements.

At various times, we use derivative financial instruments to limit exposure to changes in foreign currency exchange rates, interest rates and prices of strategic raw materials or other commodities. We account for derivatives pursuant to derivative instruments and hedging activities accounting guidance. This guidance requires that all derivative financial instruments be recorded in the financial statements and measured at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of accumulated other comprehensive income (loss)) depending on whether the derivative is being used to hedge designated changes in fair value or cash flows. Refer to Note 17—Derivatives and hedging activities.

Stock-based compensation

We account for our stock based compensation plans in accordance with stock-based compensation guidance, which requires that the compensation cost relating to share-based payment transactions be recognized in the financial statements, with the cost measured based on the estimated fair value of the equity or liability instruments issued. Our stock-based employee

compensation plans are described more fully in Note 15—Stock-based compensation plans. We recognize the compensation costs related to stock options on a straight-line basis over the requisite service period of the award, which is generally the option vesting term of four years.

Income taxes

Provisions for federal, state and foreign income taxes are calculated on reported pre-tax earnings based on current tax law and also include, in the current period, the cumulative effect of any changes in tax rates from those previously used in determining deferred tax assets and liabilities. Such provisions differ from the amounts currently receivable or payable because certain items of income and expense are recognized in different time periods for financial reporting purposes than for income tax purposes. Significant judgment is required in determining income tax provisions and evaluating tax positions. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Tax benefits arising from uncertain tax positions are recognized when it is more likely than not that the position will be sustained upon examination by the relevant tax authorities. The amount recognized in the financial statements is the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. We recognize interest and penalties, if any, related to uncertain tax positions in income tax expense.

Retirement and other postretirement benefit plans

We sponsor various defined benefit and defined contribution plans covering substantially all employees. We also sponsor postretirement benefit plans other than pensions, consisting principally of health care coverage to eligible retirees and qualifying dependents, covering less than 25% of our workforce. The liabilities and net periodic cost of our defined benefit pension and other post-retirement plans are determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate, the rate of return on plan assets, and medical trend rate (rate of growth for medical costs). For the U.S. plans, the discount rate was determined based on the results of a bond matching model that constructed a portfolio of bonds with credit ratings of AA/Aa or higher that match our expected pension benefit cash flows. The discount rate was determined on the basis of the internal rate of return on the bond portfolio. For the non-U.S. plans, the iBoxx long-term Corporate bond indices were used as the primary basis for determining discount rates. A portion of net periodic pension cost is included in production costs, which are included in inventories and subsequently recognized in net earnings as inventories are liquidated and charged to cost of sales. We amortize gains and losses, which occur when actual experience differs from actuarial assumptions, over the average future service period of employees. Our funding policy for pension plans is to contribute, at a minimum, the amounts required by applicable laws. During fiscal 2012, 2011 and 2010, we made voluntary contributions to pension plans totaling \$50.0 million, \$100.0 million and \$192.6 million, respectively.

Related party transactions

The Company regularly transacts business with its equity investees. Purchases from Yangzhou Chengde Steel Tube Co., Ltd (“Chengde”) were approximately \$30 million in fiscal 2012 and \$50 million in fiscal 2011. Accounts payable to Chengde was approximately \$4 million at April 1, 2012 and \$8 million at April 3, 2011. There was no purchasing activity with Chengde in fiscal 2010. The business transactions with our other equity investees were not considered significant.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Recently issued accounting standards

In December 2011, the Financial Accounting Standards Board (“FASB”) issued guidance increasing disclosures regarding offsetting assets and liabilities. For derivatives and financial assets and liabilities, the amendments require disclosure of gross asset and liability amounts, amounts offset on the balance sheet, and amounts subject to the offsetting requirements but not offset on the balance sheet. The guidance is effective for the Company beginning the first quarter of fiscal 2014 and is to be applied retrospectively. As this guidance only requires expanded disclosures, the adoption of this guidance is not expected to have a significant impact on our consolidated financial position, results of operations, or cash flows.

In June 2011, the FASB issued guidance that requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income in either a single continuous statement or two separate but consecutive statements. This guidance does not change the items that must be reported in OCI. In December

2011, the FASB deferred some aspects of the June guidance that relate to the presentation of reclassification adjustments. The FASB is considering whether to present the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income on the face of the financial statements. The guidance is effective for the Company beginning the first quarter of fiscal 2013 and is to be applied retrospectively. The Company is currently evaluating how it will report comprehensive income, but either method permitted will constitute a change in the Company's financial statement presentation.

In September 2011, the FASB issued guidance to aid in an entity's assessment of goodwill and whether it is necessary to perform the two-step quantitative goodwill impairment test. Under this guidance, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amendments include a number of events and circumstances for an entity to consider in conducting the qualitative assessment. This pronouncement will be effective in the first quarter of fiscal 2013. As this guidance only modifies the requirements of impairment testing, the adoption will not impact our consolidated financial position, results of operations, or cash flows.

In September 2011, the FASB also issued guidance that increases the quantitative and qualitative disclosures an employer is required to provide about its participation in significant multiemployer plans that offer pension or other postretirement benefits. The objective of this guidance is to enhance the transparency of disclosures about the significant multiemployer plans in which an employer participates, the level of the employer's participation in those plans, the financial health of the plans, and the nature of the employer's commitments to the plans. This pronouncement has been adopted and disclosure is included within Note 18—Pension and Other Postretirement Benefit Plans. As this guidance only requires expanded disclosures, the adoption did not impact our consolidated financial position, results of operations, or cash flows.

In May 2011, the FASB issued guidance that amends existing measurement guidance and expands disclosure requirements for fair value measurements, particularly for "Level 3" (as defined in the accounting guidance) inputs. This guidance was effective in the fourth quarter of fiscal 2012. The adoption of this guidance did not have a significant impact on our consolidated financial position, results of operations, or cash flows.

In January 2010, the FASB issued guidance that requires certain disclosures and clarifies existing disclosure requirements for fair value measurements. Specifically, the changes require disclosure of transfers into and out of "Level 1" and "Level 2" (as defined in the accounting guidance) fair value measurements, and also require more detailed disclosure about the activity within Level 3 fair value measurements. This guidance was effective for the Company in the fourth quarter of fiscal 2010, except for disclosures about purchases, sales, issuances and settlements of Level 3 assets and liabilities, which was effective in the first quarter of fiscal 2012. As this guidance only requires expanded disclosures, the adoption did not impact our consolidated financial position, results of operations, or cash flows.

In October 2009, the FASB issued amendments to the accounting and disclosure for revenue recognition for multiple element arrangements. These amendments modify the criteria for recognizing revenue and require enhanced disclosures for multiple element-deliverable revenue arrangements. This guidance was effective in the first quarter of fiscal 2012. The adoption of this guidance did not have a significant impact on our consolidated financial position, results of operations, or cash flows.

3. Acquisitions

Fiscal 2012

On July 14, 2011, we acquired the rings operations of Unison Engine Components ("Tru-Form") from GE Aviation, an operating unit of General Electric Company. Tru-Form is a leader in the manufacture of flash-welded and cold-rolled rings for jet engine and gas turbine applications, including spacer rings, combustion casings and liners, low pressure turbine casings, and fan cases. The innovative Tru-Form cold-rolling process produces a near-net-shaped part from a flash-welded ring, reducing material and machining costs and enabling the production of more complex part shapes. Tru-Form employs approximately 275 people across its three locations in Wilkes-Barre and Mountaintop, Pennsylvania, and Tyseley, England. The Tru-Form acquisition was an asset purchase for tax purposes and operates as part of the Forged Products segment.

On July 22, 2011, we acquired the assets of the Rollmet business ("Rollmet") from Rockwell Collins. Rollmet has developed a unique cold-roll extrusion process to manufacture precision thin wall pipe across a range of materials, including nickel alloys, stainless steel, aluminum, and carbon steel. Rollmet's products are utilized in a variety of oil and gas applications, as well as motor cases for missile programs. Rollmet has approximately 70 employees and operates one facility in Irvine, California. The Rollmet acquisition was an asset purchase for tax purposes and operates as part of the Forged Products segment.

On August 9, 2011, we acquired Primus International ("Primus") for approximately \$900 million in cash. Primus is a

leading supplier of aerostructures and complex components and assemblies to the global aerospace industry, including swaged rods, and machined aluminum and titanium components. Product applications include wing, fuselage and engine-related assemblies, passenger and exit doors, and actuation and flight control assemblies. Headquartered in Bellevue, Washington, Primus employs approximately 1,500 people across five manufacturing locations, including three in the Seattle, Washington area, as well as Tulsa, Oklahoma, and Suzhou, China. The Primus acquisition was a stock purchase for tax purposes and operates as part of the Fastener Products segment. This transaction resulted in \$422.1 million of goodwill and \$505.3 million of other intangible assets, including customer relationships with indefinite lives valued at \$468.5 million, customer relationships with finite lives valued at \$15.6 million and backlog valued at \$21.2 million. We also recorded a long-term liability related to the fair value of loss contracts valued at 85.3 million.

On October 4, 2011, we acquired the assets of PB Fasteners ("PB"). PB is an industry leader in the design and manufacturing of fastener products for airframe applications, including the development of the SLEEVBolt® fastening system. PB's sleeve bolt technology is critical to mitigating the impact of lightning strikes on the Boeing 787 aircraft and other composite body aircraft. Located in Gardena, California, PB entered the aerospace fastener business in 1967. The PB acquisition was an asset purchase for tax purposes and operates as part of the Fastener Products segment.

Over the course of fiscal 2012, we completed several additional acquisitions which were not material, but do provide us with additional manufacturing capabilities.

The purchase price allocations for each business acquisition above, in addition to four minor acquisitions, are subject to further refinement. The impact of these acquisitions is not material to our consolidated results of operations; consequently, pro forma information has not been included.

Fiscal 2011

On January 3, 2011, we acquired an additional 1% equity interest in Yangzhou Chengde Steel Tube Co., Ltd ("Chengde") for approximately \$7 million in cash, increasing our equity interest to 50%. We continue to account for this investment under the equity method as we currently do not exercise control of the major operating and financial policies of Chengde. The carrying value of this investment as of April 1, 2012 was \$424.3 million and was included in investment in unconsolidated affiliates in our consolidated balance sheet. The carrying value of our investment in Chengde exceeded the amount of underlying equity in net assets of Chengde by approximately \$189 million as of April 1, 2012. This difference arose through the valuation process that was applied to the assets acquired.

Fiscal 2010

On September 30, 2009, we completed the acquisition of Carlton Forge Works and a related entity ("Carlton") for approximately \$847 million in cash, comprised of approximately \$502 million of cash on hand and the proceeds of approximately \$345 million of commercial paper debt issuance (subsequently repaid). Carlton, a leading manufacturer of seamless rolled rings for critical aerospace applications, offers nickel, titanium, and steel rolled rings across the widest range of product sizes in the industry. Carlton broadens our forging capabilities and enables us to provide a full range of forged products to our aerospace engine customers. The Carlton acquisition is an asset purchase for tax purposes and operates as part of our Forged Products segment. This transaction resulted in \$400.1 million of goodwill (which is deductible for tax purposes) and \$336.7 million of other intangible assets, including tradenames with indefinite lives valued at \$89.1 million, customer relationships with indefinite lives valued at \$204.8 million, customer relationships with finite lives valued at \$3.7 million, backlog valued at \$10.2 million and revenue sharing agreements valued at \$28.9 million. We also recorded a long-term liability related to the fair value of a pre-existing revenue sharing agreement valued at \$92.0 million. The impact of this acquisition was not material to our consolidated results of operations; consequently, pro-forma information has not been included.

On January 15, 2010, we acquired a 49% equity interest in Chengde for approximately \$355 million in cash, comprised of approximately \$115 million of cash on hand and the proceeds of approximately \$240 million of commercial paper debt issuance (subsequently repaid). Chengde is a leading manufacturer of seamless, extruded pipe for boiler applications in coal-fired power plants, as well as pipe and tubing for other energy-related applications, such as compressed natural gas. The company operates from one facility with a manufacturing footprint of nearly 6 million square feet in the Jiangsu Province of China. Chengde has built a leading position in the Chinese boiler pipe market and has begun to make inroads into export markets.

The above business acquisitions, in addition to four minor acquisitions in fiscal 2012, were accounted for under the acquisition method of accounting (except for the investment in Chengde, which was accounted for under the equity method) and, accordingly, the results of operations have been included in the Consolidated Statements of Income since the acquisition date.

4. Discontinued operations

Fiscal 2012

During the fourth quarter of fiscal 2012, we decided to divest a small non-core business in the Fastener Products segment and reclassified it to discontinued operations.

Fiscal 2011

During the second quarter of fiscal 2011, we sold an automotive fastener business. The transaction resulted in a gain of approximately \$6.4 million (net of tax).

During the first quarter of fiscal 2011, we decided to divest a small non-core business in the Fastener Products segment and reclassified it to discontinued operations. We have entered into an agreement to sell this business and expect to complete the transaction in the first quarter of fiscal 2013.

Fiscal 2010

In the fourth quarter of fiscal 2010, we decided to dispose of a small non-core business in the Fasteners Products' segment and reclassified it to discontinued operations. The sale of the business was completed in the second quarter of fiscal 2011.

In the third quarter of fiscal 2010, we decided to divest a small non-core business in the Investment Cast Products segment and reclassified it to discontinued operations. The sale of the business was completed in the fourth quarter of fiscal 2010. The transaction resulted in a gain of approximately \$11.4 million (net of tax) in fiscal 2010.

In the second quarter of fiscal 2010, we recognized an impairment loss of approximately \$8.7 million (net of tax) related to two automotive fastener businesses held for sale due to continued erosion in the automotive market. The sale of these businesses was completed in the second quarter of fiscal 2011.

The components of discontinued operations for the periods presented are as follows:

Fiscal	2012	2011	2010
Net sales	\$ 63.7	\$ 47.1	\$ 80.4
Cost of goods sold	59.0	44.5	71.1
Selling and administrative expenses	7.6	5.0	10.0
Restructuring and asset impairment	—	—	11.6
Interest income, net	—	(0.1)	(0.1)
Net loss from operations before income taxes	(2.9)	(2.3)	(12.2)
Income tax (expense) benefit	(2.5)	1.0	1.5
Net loss from operations	(5.4)	(1.3)	(10.7)
(Loss) gain on disposal and other expenses, net of tax expense of \$0.9, \$2.6 and \$1.1	(1.0)	5.4	7.4
Net (loss) income from discontinued operations	\$ (6.4)	\$ 4.1	\$ (3.3)

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Included in the Consolidated Balance Sheets are the following major classes of assets and liabilities associated with the discontinued operations:

	April 1, 2012	April 3, 2011
Assets of discontinued operations:		
Current assets	\$ 43.6	\$ 12.5
Net property, plant and equipment	55.7	31.1
Other assets	14.3	14.2
	<u>\$ 113.6</u>	<u>\$ 57.8</u>
Liabilities of discontinued operations:		
Current liabilities	\$ 18.6	\$ 6.2
Other long-term liabilities	17.8	—
	<u>\$ 36.4</u>	<u>\$ 6.2</u>

5. Concentration of credit risk

Approximately 62 percent, 57 percent and 54 percent of business activity was with companies in the aerospace industry in fiscal 2012, 2011 and 2010, respectively. Approximately 15.4 percent, 12.5 percent and 14.0 percent of total sales were directly to General Electric Company in fiscal 2012, 2011 and 2010, respectively. Accordingly, we are exposed to a concentration of credit risk for this portion of receivables. We have long-standing relationships with our aerospace customers, and management considers the credit risk to be low.

6. Inventories

Inventories consisted of the following:

	April 1, 2012	April 3, 2011
Finished goods	\$ 340.6	\$ 333.7
Work-in-process	742.1	538.8
Raw materials and supplies	544.5	437.2
	<u>1,627.2</u>	<u>1,309.7</u>
Excess of LIFO cost over current cost	190.4	149.7
Total	<u>\$ 1,817.6</u>	<u>\$ 1,459.4</u>

Approximately 93 percent of total inventories were valued on a LIFO basis at April 1, 2012 compared to 91 percent at April 3, 2011. During fiscal 2012 and 2011, certain LIFO inventory quantities were reduced. The effect on cost of goods sold of the liquidation of LIFO inventory quantities carried at costs paid in prior years was not material in either year.

7. Goodwill and acquired intangibles

We perform our annual goodwill and indefinite-lived intangible assets impairment test during the second quarter of each fiscal year. For fiscal 2012, 2011 and 2010, it was determined that the fair value of the related operations was greater than book value and that there was no impairment of goodwill. There were no changes to our reporting units or triggering events during the current fiscal year requiring a goodwill or indefinite-lived intangible assets impairment test in accordance with goodwill and other intangible assets accounting guidance.

The changes in the carrying amount of goodwill by reportable segment for fiscal 2012 and 2011 were as follows:

March 28, 2010	Acquired	Currency translation and other	April 3, 2011	Acquired	Currency translation and other	April 1, 2012
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Investment Cast Products	\$ 336.6	\$ 20.3	\$ 1.6	\$ 358.5	\$ —	\$ (20.5)	\$ 338.0
Forged Products	1,249.8	—	22.2	1,272.0	112.5	23.3	1,407.8
Fastener Products	1,249.5	8.4	0.8	1,258.7	510.3	(0.3)	1,768.7
Total	<u>\$ 2,835.9</u>	<u>\$ 28.7</u>	<u>\$ 24.6</u>	<u>\$ 2,889.2</u>	<u>\$ 622.8</u>	<u>\$ 2.5</u>	<u>\$ 3,514.5</u>

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The gross carrying amount and accumulated amortization of our acquired intangible assets were as follows:

	April 1, 2012			April 3, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:						
Patents	\$ 15.0	\$ (9.0)	\$ 6.0	\$ 14.8	\$ (7.5)	\$ 7.3
Proprietary technology	2.3	(1.3)	1.0	2.3	(1.1)	1.2
Tradenames	0.4	(0.4)	—	0.4	(0.4)	—
Long-term customer relationships	56.7	(20.5)	36.2	33.6	(14.4)	19.2
Backlog	34.3	(15.5)	18.8	18.6	(17.0)	1.6
Revenue sharing agreements	28.9	(1.0)	27.9	28.9	(0.5)	28.4
	<u>\$ 137.6</u>	<u>\$ (47.7)</u>	<u>\$ 89.9</u>	<u>\$ 98.6</u>	<u>\$ (40.9)</u>	<u>\$ 57.7</u>
Unamortizable intangible assets:						
Tradenames			261.4			192.6
Long-term customer relationships			876.8			204.8
Acquired intangibles, net			<u>\$ 1,228.1</u>			<u>\$ 455.1</u>

Amortization expense for finite-lived acquired intangible assets was \$13.8 million, \$13.9 million and \$11.4 million for fiscal 2012, 2011 and 2010, respectively. Projected amortization expense for finite-lived intangible assets for the succeeding five fiscal years is as follows:

Fiscal	Estimated Amortization Expense
2013	\$ 15.1
2014	15.0
2015	12.8
2016	11.6
2017	5.9

The amortization will change in future periods if other intangible assets are acquired, existing intangibles are disposed or impairments are recognized.

8. Accrued liabilities

Accrued liabilities consisted of the following:

	April 1, 2012	April 3, 2011
Salaries and wages payable	\$ 154.3	\$ 145.1
Customer deposits	41.7	47.6
Other accrued liabilities	139.2	111.3
Total	<u>\$ 335.2</u>	<u>\$ 304.0</u>

9. Financing arrangements

Long-term debt is summarized as follows:

	April 1, 2012	April 3, 2011
5.60% Public notes due fiscal 2014	\$ 200.0	\$ 200.0
Private notes, retired in November 2011 in advance of August 2014 stated maturity	—	28.5
Other	8.2	8.1
	<u>208.2</u>	<u>236.6</u>
Less: Long-term debt currently due	0.5	14.7
Total	<u>\$ 207.7</u>	<u>\$ 221.9</u>

Long-term debt maturing in each of the next five fiscal years is as follows:

Fiscal	Debt
2013	\$ 0.5
2014	202.0
2015	0.2
2016	5.5
2017	—
Total	<u>\$ 208.2</u>

Historically, we have issued commercial paper as a method of raising short-term liquidity. There were no commercial paper borrowings outstanding as of April 1, 2012 or April 3, 2011. During fiscal 2012, the average amount of commercial paper borrowings outstanding was \$57.6 million and the weighted average interest rate was 0.3%. During fiscal 2011, the average amount of commercial paper borrowings outstanding was \$21.5 million and the weighted average interest rate was 0.3%. During fiscal 2012 and 2011, the largest daily balance of outstanding commercial paper borrowings was \$390.0 million and \$210.0 million, respectively.

On November 30, 2011, we entered into a credit agreement (the “New Credit Agreement”) with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer, Wells Fargo Bank, National Association and Citibank, N.A., as Syndication Agents, and other lenders from time to time party thereto (collectively the “Lenders”). On the same day, we also terminated our prior credit agreement with Bank of America, N.A. and the other lenders under such agreement. The New Credit Agreement consists of a five-year, \$1.0 billion revolving credit facility (with a \$500 million increase option, subject to approval of the Lenders) maturing November 30, 2016, unless extended pursuant to two 364-day extension options (subject to approval of the Lenders). The New Credit Agreement is unsecured and contains customary representations and warranties, events of default, and financial and other covenants. Our unused borrowing capacity as of April 1, 2012 was \$1.0 billion under the New Credit Agreement. Our financial covenant requirement and actual ratio as of April 1, 2012 was as follows:

	Covenant Requirement	Actual
Consolidated leverage ratio ¹	65.0% (maximum)	2.4%

(1) Terms are defined in the New Credit Agreement.

As of April 1, 2012, we were in compliance with the financial covenant in the New Credit Agreement.

10. Income taxes

Total pre-tax income before equity in earnings of unconsolidated affiliates was:

Fiscal	2012	2011	2010
Domestic	\$ 1,582.7	\$ 1,334.8	\$ 1,238.9
Foreign	229.3	159.0	171.3
Total pretax income	<u>\$ 1,812.0</u>	<u>\$ 1,493.8</u>	<u>\$ 1,410.2</u>

The provision for income taxes consisted of the following:

Fiscal	2012	2011	2010
Current taxes:			
Federal	\$ 432.6	\$ 341.0	\$ 264.3
Foreign	43.3	44.4	29.2
State	48.7	37.8	35.3
	<u>524.6</u>	<u>423.2</u>	<u>328.8</u>
Deferred income taxes	69.8	76.5	156.9
Provision for income taxes	<u>\$ 594.4</u>	<u>\$ 499.7</u>	<u>\$ 485.7</u>

We have not provided U.S. income taxes on cumulative earnings of non-U.S. affiliates and associated companies that have been reinvested indefinitely. These earnings relate to ongoing operations and, at April 1, 2012, were approximately \$866 million. Most of these earnings have been reinvested in active non-U.S. business operations, and we do not intend to use these earnings as a source of funding for U.S. operations. Because of the availability of U.S. foreign tax credits, it is not practicable to determine the U.S. federal income tax liability that would be payable if such earnings were not reinvested indefinitely.

A reconciliation of the U.S. federal statutory rate to the effective income tax rate follows:

Fiscal	2012	2011	2010
Statutory federal rate	35.0 %	35.0 %	35.0 %
Effect of:			
State taxes, net of federal benefit	1.8 %	2.1 %	2.0 %
Domestic manufacturing deduction	(2.4)%	(2.4)%	(1.3)%
Earnings taxed at different rates in foreign jurisdictions	(1.0)%	(0.9)%	(1.4)%
Other	(0.6)%	(0.3)%	0.1 %
Effective rate	<u>32.8 %</u>	<u>33.5 %</u>	<u>34.4 %</u>

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases, as well as from net operating loss and tax credit carryforwards, and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered. Deferred income tax assets and liabilities represent amounts available to reduce or increase taxes payable on taxable income in future years. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including carrybacks (if applicable), reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. To the extent we do not consider it more likely than not that a deferred tax asset will be recovered, a valuation allowance is established.

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Significant components of our deferred tax assets and liabilities were as follows:

	April 1, 2012	April 3, 2011
Deferred tax assets arising from:		
Expense accruals and reserves	\$ 97.5	\$ 56.9
Acquired loss contracts liabilities	47.1	35.7
Stock options	29.5	26.9
Post-retirement benefits other than pensions	98.3	89.6
Pension accruals	37.2	—
Net operating and capital loss carryforwards	71.0	56.4
Tax credit carryforwards	6.5	3.0
Valuation allowances	(55.2)	(53.1)
Gross deferred tax assets	331.9	215.4
Deferred tax liabilities arising from:		
Depreciation/amortization	(355.6)	(177.6)
Goodwill	(177.7)	(147.6)
Inventory basis differences	(59.1)	(55.7)
Pension accruals	—	(38.2)
Gross deferred tax liabilities	(592.4)	(419.1)
Net deferred tax liabilities	\$ (260.5)	\$ (203.7)

The valuation allowances for deferred tax assets as of April 1, 2012 were \$55.2 million. The net change for total valuation allowances for the year ended April 1, 2012 was an increase of \$2.1 million, including a \$6.2 million increase from U.S. capital losses and a \$4.8 million decrease from foreign company tax losses used or eliminated through legal entity liquidations. As of April 1, 2012, we had net operating loss, capital loss and tax credit carryforward benefits of approximately \$23.4 million that expire in the fiscal years ending March 2013 through March 2033. For financial reporting purposes, valuation allowances of \$7.6 million were recognized to offset the deferred tax asset relating to those carryforward benefits.

Uncertain Tax Positions

The following table summarizes the activity related to our reserve for unrecognized tax benefits:

	April 1, 2012	April 3, 2011	March 28, 2010
Beginning Balance	\$ 12.3	\$ 25.4	\$ 28.5
Gross increases related to prior period tax positions	4.0	9.8	24.7
Gross decreases related to prior period tax positions	(0.3)	(18.9)	(21.9)
Gross increases related to current period tax positions	0.7	1.6	3.7
Decreases related to settlements with tax authorities	(3.7)	(5.4)	(9.3)
Expiration of the statute of limitations for assessment of taxes	(0.1)	(0.2)	(0.3)
Ending Balance	\$ 12.9	\$ 12.3	\$ 25.4

Our policy is to recognize interest and penalties accrued on uncertain tax positions as part of the provision for income taxes. During the years ended April 1, 2012, April 3, 2011 and March 28, 2010, the amount of tax expense recognized related to interest and penalties was immaterial. The reserve for uncertain tax positions as of April 1, 2012 and April 3, 2011 included an accrual for interest and penalties of \$3.1 million and \$0.9 million, respectively.

We file income tax returns in the U.S. federal jurisdiction, the United Kingdom, and other state, local, and foreign jurisdictions. As of April 1, 2012, the U.S. Internal Revenue Service has completed examinations of tax years through March 29, 2009, except for tax years ended April 2, 2006 and April 1, 2007 to the extent of refund claims submitted to the Joint Committee on Taxation. We are no

longer subject to examination in the United Kingdom for fiscal years prior to 2010. For other state, local, and foreign jurisdictions, with few exceptions, the statutes of limitation are closed for all tax years through April 2, 2006.

Included in the reserve for uncertain tax positions at April 1, 2012 and April 3, 2011 are \$4.3 million and \$4.7 million, respectively, of unrecognized tax benefits that, if recognized, would impact the effective tax rate. We estimate that within the

next twelve months, the reserve for uncertain tax positions could change by \$0 to \$1.4 million. The tax matters associated with these uncertain tax positions primarily relate to U.S. taxation of foreign income and state tax positions in various states. These tax matters are currently under audit; however, we cannot reasonably predict the timing or ultimate outcome of these matters.

11. Earnings per share

Net income and weighted average number of shares outstanding used to compute earnings per share were as follows:

Fiscal	2012	2011	2010
Amounts attributable to PCC shareholders:			
Net income from continuing operations	\$ 1,230.5	\$ 1,009.4	\$ 925.1
Net (loss) income from discontinued operations	(6.4)	4.1	(3.3)
Net income attributable to PCC shareholders	<u>\$ 1,224.1</u>	<u>\$ 1,013.5</u>	<u>\$ 921.8</u>

Fiscal	2012	2011	2010
Weighted average shares outstanding-basic	144.4	142.7	140.7
Effect of dilutive stock-based compensation plans	1.2	1.2	1.4
Weighted average shares outstanding-diluted	<u>145.6</u>	<u>143.9</u>	<u>142.1</u>

Basic earnings per share are calculated based on the weighted average number of shares outstanding. Diluted earnings per share are computed based on that same number of shares plus additional dilutive shares representing stock distributable under stock option, phantom stock and employee stock purchase plans computed using the treasury stock method.

Options to purchase 1.2 million, 1.5 million and 1.5 million shares of common stock were outstanding during fiscal 2012, 2011 and 2010, respectively, and were not included in the computation of diluted earnings per share because to do so would have been antidilutive. These options could be dilutive in the future.

12. Fair value measurements

Fair value guidance defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. Fair value guidance defines fair value as the exchange price that would be received to sell 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 on the measurement date. Fair value guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the assets and liabilities measured at fair value on a recurring basis as of April 1, 2012:

	Fair Value Measurements Using			Assets/Liabilities at Fair Value
	Level 1	Level 2	Level 3	
Assets:				

Trading securities	\$	74.5	\$	—	\$	—	\$	74.5
Derivative instruments	\$	—	\$	4.1	\$	—	\$	4.1
Liabilities:								
Derivative instruments	\$	—	\$	1.9	\$	—	\$	1.9

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The following table presents the assets and liabilities measured at fair value on a recurring basis as of April 3, 2011:

	Fair Value Measurements Using				Assets/Liabilities at Fair Value
	Level 1	Level 2	Level 3		
Assets:					
Trading securities	\$ 400.2	\$ 99.0	\$ —	\$ 499.2	
Derivative instruments	\$ —	\$ 7.5	\$ —	\$ 7.5	
Liabilities:					
Derivative instruments	\$ —	\$ 3.3	\$ —	\$ 3.3	

Trading securities consist of money market funds, commercial paper, and other highly liquid short-term instruments with maturities of three months or less at the time of purchase. These investments are readily convertible to cash with market value approximating cost. There were no transfers between Level 1 and Level 2 fair value measurements during fiscal 2012 or fiscal 2011.

Derivative instruments consist of fair value hedges, net investment hedges, and cash flow hedges. Foreign exchange, commodity swap and interest rate swap contracts' values are determined using pricing models with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. There were no changes in our valuation techniques used to measure assets and liabilities at fair value on a recurring basis.

We estimate that the fair value of our long-term fixed rate debt instruments was \$221.0 million compared to a book value of \$207.4 million at April 1, 2012. At April 3, 2011, the estimated fair value of our long-term fixed rate debt instruments was \$257.2 million compared to a book value of \$235.5 million. The fair value of long-term fixed rate debt was estimated using bond yields at quarter-end for comparable market instruments. Long-term fixed rate debt would be classified as Level 2 within the fair value hierarchy if it were measured at fair value. The estimated fair value of our miscellaneous long-term debt approximates book value.

13. Commitments and contingencies

We lease certain facilities, office space and equipment under operating leases for varying periods. Future minimum rental payments under non-cancelable operating leases with initial or remaining terms of one year or more at April 1, 2012 are as follows:

Fiscal Year	
2013	\$ 28.2
2014	22.7
2015	18.5
2016	13.6
2017	9.8
Thereafter	54.6
Total	<u>\$ 147.4</u>

Operating lease obligations include \$42.8 million attributable to operations held-for-sale. Total rent expense for all operating leases was \$34.3 million, \$25.0 million and \$22.2 million for fiscal 2012, 2011 and 2010, respectively.

Various lawsuits arising during the normal course of business are pending against us. In the opinion of management, the outcome of these lawsuits, either individually or in the aggregate, will not have a material effect on our consolidated financial position, results of operations, cash flows or business.

In the ordinary course of business, we warrant that our products will conform to contractually established standards and tolerances over various time periods. The warranty accrual as of April 1, 2012 and April 3, 2011, and the change in the accrual for fiscal 2012, 2011 and 2010, is not material to our consolidated financial position, results of operations or cash flows.

In connection with certain transactions, primarily divestitures, we may provide routine indemnifications (e.g., retention of previously existing environmental and tax liabilities) with terms that range in duration and often are not explicitly defined. Where appropriate, an obligation for such indemnifications is recorded as a liability. Because the obligated amounts of these types of indemnifications often are not explicitly stated, the overall maximum amount of the obligation under such

indemnifications cannot be reasonably estimated. Other than obligations recorded as liabilities at the time of divestiture, we have not historically made significant payments for these indemnifications.

14. Shareholders' equity

Authorized shares of common stock, with no par value and \$1 stated value, consisted of 450.0 million shares at April 1, 2012 and April 3, 2011. Authorized and unissued no par serial preferred stock consisted of 1.0 million shares at April 1, 2012 and April 3, 2011.

Shareholder rights plan

The rights agreement, which was adopted in 1998, was renewed on December 16, 2008. The agreement is intended to protect the Company and its shareholders from potentially coercive takeover practices or takeover bids that are inconsistent with the interests of the Company and its shareholders. The agreement is not intended to deter offers that are fair and otherwise in the best interest of the Company's shareholders. Under the renewed rights agreement, each holder of the common stock of the Company at the close of business on December 16, 2008, received a dividend of one right for each share of common stock held entitling the holder to purchase from the Company one one-thousandth of a share of Series A No Par Serial Preferred Stock. Initially, the rights will be represented by the common stock certificates of the Company and will not be exercisable or traded separately from the common stock of the Company. In the absence of further board action, the rights will generally become exercisable if a person or group (i) acquires 15 percent or more of the outstanding common stock of the Company, or (ii) announces or commences a tender or exchange offer that would result in the person or group acquiring 15 percent or more of the outstanding common stock of the Company. Rights held by those that exceed the 15 percent threshold will be void.

In the event that any person or group acquires 15 percent or more of the outstanding common stock of the Company, and the rights are exercisable, each holder of a right (other than holders of rights that have become void) will have the right to receive upon exercise of the right, in lieu of shares of preferred stock, a number of shares of common stock of the Company having a market value of two times the exercise price of the right. If, after a person or group acquires 15 percent or more of the outstanding common stock of the Company, and while the rights are exercisable, (i) the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving corporation or in which shares of the common stock are exchanged for stock or other securities or property, or (ii) 50 percent or more of the Company's assets or earning power is sold or transferred, each holder of a right (other than holders of rights that have become void) shall thereafter have the right to receive, upon exercise of the right, common stock of the acquiring company having a value equal to two times the purchase price of the right.

The rights agreement also includes an exchange option. In general, after a person or group acquires 15 percent or more of the outstanding common stock of the Company and while the rights are exercisable, the board of directors may, at its option, effect an exchange of part or all of the rights (other than rights that have become void) for shares of the common stock or preferred stock of the Company. Under this option, the Company would issue one share of common stock of the Company for each right or one one-thousandth of a share of preferred stock for each right, subject to adjustment in certain circumstances.

The Board of Directors may, at its option, redeem all outstanding rights for \$0.001 per right at any time prior to the later of the Stock Acquisition Date and the Distribution Date (as these terms are defined in the Rights Agreement). The rights will expire on December 15, 2018, unless earlier redeemed, exchanged, or amended by the board of directors. The rights do not have voting or dividend rights and, until they become exercisable, have no dilutive effect on our earnings.

15. Stock-based compensation plans

We account for our stock based compensation plans in accordance with stock-based compensation guidance, which requires that the compensation cost relating to share-based payment transactions be recognized in the financial statements over the vesting period, with the cost measured based on the estimated fair value of the equity or liability instruments issued.

We have three stock incentive plans for certain officers, key salaried employees and directors: the 1994 Stock Incentive Plan, the 1999 Nonqualified Stock Option Plan, and the 2001 Stock Incentive Plan. Shares authorized under these plans totaled approximately 30,192,000 shares. The plans allow for the grant of stock options, stock bonuses, stock appreciation rights, cash bonus rights and restricted stock.

Stock option awards

The Compensation Committee of the Board of Directors determines awards granted under officer and employee stock option plans. To date, all stock option awards under the stock incentive plans have been nonqualified stock option grants. The Compensation Committee fixes the time limit within which options may be exercised and other stock option terms. To date, option grant prices under

the three stock incentive plans have been at the fair market value on the date of grant. Generally, options become exercisable at a rate of 25% each year over four years from the date of grant and expire ten years from the date

of grant. Total expense recognized was \$39.7 million, \$37.9 million, and \$32.3 million for fiscal 2012, 2011 and 2010, respectively.

Deferred stock unit awards

The Deferred Stock Unit Award Program provides for the grant of deferred stock units (“DSUs”) to non-employee directors pursuant to the 2001 Stock Incentive Plan. At a date immediately following the Annual Meeting of Shareholders, each director is granted DSUs in an amount equal to \$125,000 in fiscal 2012, 2011 and 2010, divided by the closing price of PCC common stock on that date. Under the terms of the program, the units vest over three years, with provisions for accelerated vesting in certain circumstances. The DSUs are settled in shares of common stock equal to the number of units in a director’s account at the time of settlement, which is no earlier than upon cessation of board service. At the time of the annual grant, the director will receive the value of the dividends that would have been paid on the stock underlying the DSUs during the year. The value of the dividends is divided by the closing price of PCC common stock to determine the number of units granted. The cost of these awards is determined as the market value of the shares at the date of grant. Total expense recognized was \$0.9 million, \$1.0 million, and \$0.7 million for fiscal 2012, 2011 and 2010, respectively.

Employee stock purchase plan

We have an Employee Stock Purchase Plan (“ESPP”) whereby we are authorized to issue shares of common stock to our full-time employees, nearly all of whom are eligible to participate. Under the terms of the plan, employees can choose to have up to 10 percent of their annual base earnings and bonus withheld to purchase PCC common stock subject to limitations established in the Internal Revenue Code. Employees then have the option to use the withheld funds to purchase shares of PCC common stock at the lower of 85 percent of the fair market value of the stock on the date of grant or on the date of purchase. Total expense recognized was \$7.6 million, \$8.2 million, and \$7.3 million for fiscal 2012, 2011 and 2010, respectively.

Deferred compensation plan

We have a deferred compensation plan whereby eligible executives may elect to defer up to 100% of their regular cash compensation and cash incentive awards, and non-employee Board members may elect to defer up to 100% of their cash compensation for Board service. The compensation deferred under this plan is credited with earnings and losses as determined by the rate of return on investments selected by the plan participants. Each participant is fully vested in all deferred compensation and those earnings that have been credited to their individual accounts. Our promise to pay amounts deferred under this plan is an unsecured obligation. Balances at April 1, 2012 and April 3, 2011 of approximately \$66.5 million and \$67.4 million, respectively, are reflected in pension and other postretirement benefit obligations in the Consolidated Balance Sheets.

One investment election of the deferred compensation plan is Phantom Stock Units, an investment that tracks the value of PCC common stock. Investments in Phantom Stock Units are permanent for the remaining period of employment at PCC. Effective March 20, 2009, the deferred compensation plan was amended such that payment of investments in Phantom Stock Units following retirement or termination of employment is made only in shares of PCC common stock. Under the amended plan, Phantom Stock Units are accounted for as equity awards. The stock based compensation expense is calculated at the date of purchase of Phantom Stock Units and recorded as additional paid in capital. At April 1, 2012 and April 3, 2011, there was \$9.0 million and \$8.3 million, respectively, of deferred compensation related to Phantom Stock Units included in additional paid-in capital. Phantom Stock Units for retirees receiving payments under the deferred compensation plan prior to March 20, 2009 continue to be accounted for as liability awards as they were grandfathered under the former plan. The change in market value of Phantom Stock Units accounted for as liability awards are recognized in the consolidated statement of income. We recognized expense of approximately \$0.2 million, \$0.3 million, and \$0.8 million in fiscal 2012, 2011 and 2010, respectively.

The total amount of cash received from the exercise of stock options was \$96.8 million, \$93.3 million, and \$67.4 million in fiscal 2012, 2011 and 2010, respectively. The related tax benefit was \$38.1 million, \$38.5 million, and \$30.0 million in fiscal 2012, 2011 and 2010, respectively.

The outstanding options for stock incentive plan shares have expiration dates ranging from fiscal 2013 to fiscal 2022. At April 1, 2012, approximately 3,915,000 stock incentive plan shares were available for future grants.

There were approximately 215,000 shares issued under the 2008 ESPP during the year ended April 1, 2012. At April 1, 2012, there were approximately 1,735,000 shares available for issuance under the 2008 Employee Stock Purchase Plan.

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The following table sets forth total stock-based compensation expense and related tax benefit recognized in the Consolidated Statements of Income:

Fiscal	2012	2011	2010
Cost of goods sold	\$ 16.6	\$ 16.9	\$ 12.7
Selling and administrative expenses	31.8	30.4	28.4
Stock-based compensation expense before income taxes	48.4	47.3	41.1
Income tax benefit	(15.0)	(13.6)	(12.4)
Total stock-based compensation expense after income taxes	\$ 33.4	\$ 33.7	\$ 28.7

No stock-based compensation expense was capitalized in fiscal 2012, 2011 or 2010 as it was not material. As of April 1, 2012, we had \$89.3 million of total unrecognized stock-based compensation expense, net of estimated forfeitures, to be recognized over a weighted average period of 2.9 years.

The fair value of the stock-based awards, as determined under the Black-Scholes valuation model, was estimated using the weighted-average assumptions outlined below:

Fiscal	2012	2011	2010
Stock option plans:			
Risk-free interest rate	0.7%	1.0%	1.9%
Expected dividend yield	0.1%	0.1%	0.1%
Expected volatility	42.7%	44.0%	43.8%
Expected life (in years)	3.0 – 4.4	3.0 – 4.4	2.7 – 4.4
Employee Stock Purchase Plan:			
Risk-free interest rate	0.3%	0.4%	0.4%
Expected dividend yield	0.1%	0.1%	0.2%
Expected volatility	29.9%	38.4%	40.4%
Expected life (in years)	1.0	1.0	1.0

We use the U.S. Treasury (constant maturity) interest rate as the risk-free interest rate, and we use 4-year historical volatility for stock option plans and 1-year historical volatility for the Employee Stock Purchase Plan as the expected volatility. Our determination of expected terms and estimated pre-vesting forfeitures is based on an analysis of historical and expected patterns.

The weighted-average fair value of stock-based compensation awards granted and the intrinsic value of options exercised during the period were:

Fiscal	2012	2011	2010
Stock option plans:			
Grant date fair value per share	\$ 55.81	\$ 48.81	\$ 37.25
Total fair value of awards granted	\$ 56.4	\$ 49.1	\$ 51.8
Total intrinsic value of options exercised	\$ 120.4	\$ 119.4	\$ 93.4
Employee Stock Purchase Plan:			
Grant date fair value per share	\$ 36.95	\$ 33.33	\$ 21.68
Total fair value	\$ 7.6	\$ 8.2	\$ 7.3

Additional information with respect to stock option activity is as follows:

	Option Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at March 29, 2009	6,551,000	\$ 62.67	7.29	\$ 89.1
Granted	1,384,000	101.89		
Exercised	(1,618,000)	41.64		
Forfeited or expired	(266,000)	90.68		
Outstanding at March 28, 2010	6,051,000	76.21	7.42	303.0
Granted	1,005,000	137.27		
Exercised	(1,567,000)	59.51		
Forfeited or expired	(315,000)	97.45		
Outstanding at April 3, 2011	5,174,000	91.88	7.06	298.7
Granted	1,010,000	160.99		
Exercised	(1,323,000)	73.17		
Forfeited or expired	(126,000)	113.21		
Outstanding at April 1, 2012	4,735,000	111.29	7.29	291.7
Vested or expected to vest at April 3, 2011 ⁽¹⁾	2,570,000	104.14	8.52	116.9
Vested or expected to vest at April 1, 2012 ⁽¹⁾	2,382,000	126.45	8.47	110.7
Exercisable at April 3, 2011	2,346,000	76.39	5.28	171.8
Exercisable at April 1, 2012	2,113,000	90.97	5.77	173.1

(1) Represents outstanding options reduced by expected forfeitures

16. Accumulated other comprehensive loss

Comprehensive income is the sum of net income and all other non-owner changes in equity. The components of the non-owner changes in equity, or accumulated other comprehensive loss, were as follows (net of tax):

Fiscal	2012	2011
Cumulative unrealized foreign currency translation gains	\$ 19.6	\$ 32.7
Pension and postretirement obligations	(462.0)	(269.0)
Unrecognized gain on derivatives	0.7	1.7
Accumulated other comprehensive loss	\$ (441.7)	\$ (234.6)

17. Derivatives and hedging activities

We hold and issue derivative financial instruments for the purpose of hedging the risks of certain identifiable and anticipated transactions and to protect our investments in foreign subsidiaries. In general, the types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates and changes in commodity prices and interest rates. We document our risk management strategy and hedge effectiveness at the inception of and during the term of each hedge.

Derivative financial instruments are recorded in the financial statements and measured at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of accumulated other comprehensive income (loss)) depending on whether the derivative is being used to hedge changes in fair value, cash flows, or a net investment in a foreign operation. In the normal course of business, we execute the following types of hedge transactions:

Fair value hedges

We have sales and purchase commitments denominated in foreign currencies. Foreign currency forward contracts are used to hedge against the risk of change in the fair value of these commitments attributable to fluctuations in exchange rates. We also have exposure to fluctuations in interest rates. Interest rate swaps are used to hedge against the risk of changes in the fair value of fixed rate borrowings attributable to changes in interest rates. Changes in the fair value of the derivative instrument are offset in the income statement by changes in the fair value of the item being hedged.

Net investment hedges

We use foreign currency forward contracts designated as net investment hedges to hedge net investments in certain foreign subsidiaries whose functional currency is the local currency. The effective portion of the gains and losses on net investment hedge transactions are reported in cumulative translation adjustment as a component of shareholders' equity.

Cash flow hedges

We have exposure to fluctuations in foreign currency exchange rates. Foreign currency forward contracts and options are used to hedge the variability in cash flows from forecast receipts or expenditures denominated in currencies other than the functional currency. We also have exposure to fluctuations in commodity prices. Commodity swaps are used to hedge against the variability in cash flows from forecasted commodity purchases. For cash flow hedge transactions, changes in the fair value of the derivative instruments are reported in accumulated other comprehensive income (loss). The gains and losses on cash flow hedge transactions that are reported in accumulated other comprehensive income (loss) are reclassified to earnings in the periods in which earnings are affected by the variability of the cash flows of the hedged item. The ineffective portions of all hedges are recognized in current period earnings.

We formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are designated as hedging instruments have been highly effective in offsetting changes in the cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not, or has ceased to be, highly effective as a hedge, we discontinue hedge accounting prospectively.

As of April 1, 2012, there were \$0.9 million of deferred net gains (pre-tax) relating to derivative activity in accumulated other comprehensive loss that are expected to be transferred to net earnings over the next twelve months when the forecasted transactions actually occur. As of April 1, 2012, the maximum term over which we are hedging exposures to the variability of cash flows for all forecasted and recorded transactions is 15 months. The amount of net notional foreign exchange contracts outstanding as of April 1, 2012 was approximately \$440 million. We believe that there is no significant credit risk associated with the potential failure of any counterparty to perform under the terms of any derivative financial instrument.

Derivative instruments are measured at fair value within the consolidated balance sheet either as assets or liabilities. As of April 1, 2012, accounts receivable included foreign exchange contracts of \$2.5 million and other assets included interest rate swap contracts of \$1.6 million. As of April 1, 2012, accounts payable included foreign exchange contracts of \$1.9 million. As of April 3, 2011, accounts receivable included foreign exchange contracts of \$3.8 million and commodity swap contracts of \$2.6 million, and debt included interest rate swap contracts of \$1.1 million. As of April 3, 2011, accounts payable included foreign exchange contracts of \$3.3 million.

For the years ended April 1, 2012, April 3, 2011 and March 28, 2010, we recognized \$3.8 million, \$9.9 million and \$3.5 million of gains, respectively, in the consolidated statements of income for derivatives designated as hedging instruments. For the years ended April 1, 2012, April 3, 2011 and March 28, 2010, we recognized \$2.1 million of losses, \$8.6 million of gains, and \$12.4 million of losses, respectively, in the consolidated statements of income for derivatives not designated as hedging instruments. The ineffective portion of gains and losses relating to derivatives designated as hedging instruments in fiscal 2012, 2011 or 2010 was not significant.

18. Pension and other postretirement benefit plans

We sponsor many U.S. and non-U.S. defined benefit pension plans. Benefits provided by these plans are generally based on years of service and compensation. Our general funding policy for qualified pension plans is to contribute amounts at least sufficient to satisfy regulatory funding standards. We also provide postretirement medical benefits for certain eligible employees who have satisfied plan eligibility provisions, which include age and/or service requirements.

Pension and postretirement benefit obligations and funded status

Fiscal	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Change in plan assets:				
Beginning fair value of plan assets	\$ 1,680.2	\$ 1,473.2	\$ —	\$ —
Actual return on plan assets	53.4	120.6	—	—
Adjustment from curtailment/settlement	—	—	—	(38.0)
Company contributions	69.4	115.9	8.5	47.0
Plan participants' contributions	2.2	2.3	—	—
Benefits paid	(81.6)	(78.6)	(8.5)	(9.0)
Exchange rate and other	(4.3)	46.8	—	—
Ending fair value of plan assets	<u>\$ 1,719.3</u>	<u>\$ 1,680.2</u>	<u>\$ —</u>	<u>\$ —</u>
Change in projected benefit obligations:				
Beginning projected benefit obligations	\$ 1,642.8	\$ 1,490.3	\$ 83.5	\$ 130.3
Service cost	34.5	33.5	0.7	0.8
Interest cost	92.1	91.0	4.6	5.7
Plan participants' contributions	2.2	2.3	—	—
Amendments/curtailments/settlement	4.6	—	1.8	(37.7)
Actuarial losses (gains)	227.0	61.1	8.6	(6.6)
Benefits paid	(81.6)	(78.6)	(8.5)	(9.0)
Exchange rate and other	(2.4)	43.2	—	—
Ending projected pension and postretirement benefit obligations	<u>\$ 1,919.2</u>	<u>\$ 1,642.8</u>	<u>\$ 90.7</u>	<u>\$ 83.5</u>
Funded Status:				
Fair value of plan assets (less) greater than projected pension and postretirement benefit obligations	<u>\$ (199.9)</u>	<u>\$ 37.4</u>	<u>\$ (90.7)</u>	<u>\$ (83.5)</u>
Amounts recognized in the balance sheets:				
Noncurrent asset	\$ 13.4	\$ 149.5	\$ —	\$ —
Current liabilities	(5.4)	(8.6)	(7.0)	(7.5)
Noncurrent liabilities	(207.9)	(103.5)	(83.7)	(76.0)
Net amount recognized	<u>\$ (199.9)</u>	<u>\$ 37.4</u>	<u>\$ (90.7)</u>	<u>\$ (83.5)</u>
Amounts recognized in accumulated other comprehensive loss consist of:				
Net actuarial loss	\$ 669.6	\$ 389.5	\$ 15.4	\$ 7.4
Prior service cost (benefit)	17.7	16.5	1.6	(0.6)
Unrecognized net transition obligation	0.1	—	—	—
Net amount recognized, before tax effect	<u>\$ 687.4</u>	<u>\$ 406.0</u>	<u>\$ 17.0</u>	<u>\$ 6.8</u>

Of the total amounts included in accumulated other comprehensive loss as of April 1, 2012, we estimate that we will recognize amortization of the following amounts as components of net periodic pension and postretirement benefit cost in fiscal 2013: net loss of \$46.4 million; prior service cost of \$3.5 million; and transition obligation of \$0.1 million. Several of our

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defined benefit pension plans have accumulated benefit obligations in excess of plan assets. As of April 1, 2012, the aggregate projected benefit obligation was \$681.8 million, the aggregate accumulated benefit obligation was \$632.7 million, and the aggregate fair value of plan assets was \$493.6 million associated with these defined benefit pension plans.

Components of net periodic pension cost

The net periodic pension cost for our pension plans consisted of the following components:

Fiscal	2012	2011	2010
Service cost	\$ 36.6	\$ 35.3	\$ 31.7
Interest cost	92.1	91.0	86.6
Expected return on plan assets	(131.5)	(123.5)	(104.6)
Amortization of prior service cost/curtailment gain	3.0	3.1	4.1
Amortization of transition asset	0.2	0.2	0.2
Amortization of net actuarial loss	21.8	18.7	12.6
Net periodic pension cost	<u>\$ 22.2</u>	<u>\$ 24.8</u>	<u>\$ 30.6</u>

The net postretirement benefit cost of our postretirement benefit plans consisted of the following components:

Fiscal	2012	2011	2010
Service cost	\$ 0.7	\$ 0.8	\$ 1.3
Interest cost	4.6	5.7	8.5
Amortization of prior service cost/curtailment gain	(0.3)	(0.7)	(0.7)
Amortization of net actuarial loss	0.5	0.6	0.7
Net postretirement benefit cost	<u>\$ 5.5</u>	<u>\$ 6.4</u>	<u>\$ 9.8</u>

Components of amounts recognized in other comprehensive income:

The changes in plan assets and benefit obligations recognized in other comprehensive income (“OCI”) for our pension plans consisted of the following:

Fiscal	2012	2011	2010
Net actuarial loss	\$ 283.8	\$ 46.0	\$ 114.6
Amortization of net actuarial loss	(2.6)	(2.5)	(0.4)
Prior service cost	4.5	—	0.7
Amortization of prior service cost	(3.0)	(3.1)	(3.6)
Amortization of transition obligation	(0.2)	(0.2)	(0.2)
Exchange rate (loss) gain	(1.2)	6.0	0.3
Total recognized in OCI	<u>\$ 281.3</u>	<u>\$ 46.2</u>	<u>\$ 111.4</u>

The changes in plan assets and benefit obligations recognized in other comprehensive income for our postretirement benefit plans consisted of the following:

Fiscal	2012	2011	2010
Net actuarial loss (gain)	\$ 8.0	\$ (11.5)	\$ 8.4
Prior service cost	1.9	0.3	—
Amortization of prior service cost	0.3	5.1	0.6

Total recognized in OCI	<u>\$</u> <u>10.2</u>	<u>\$</u> <u>(6.1)</u>	<u>\$</u> <u>9.0</u>
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Weighted-average assumptions

The weighted-average assumptions used in determining the pension and postretirement benefit obligations in our pension and postretirement plans in fiscal 2012 and 2011 were as follows:

<u>U.S. Plans</u> Fiscal	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Discount rate	4.85%	5.75%	4.85%	5.75%
Rate of compensation increase	3.00%	3.00%	3.00%	3.00%

<u>Non-U.S. Plans</u>		Pension Benefits	
Fiscal		2012	2011
Discount rate		5.27%	5.88%
Rate of compensation increase		2.97%	3.22%

As of April 1, 2012, the projected U.S. pension benefit obligation was \$1,287.6 million and the non-U.S. pension benefit obligation was \$631.6 million.

The weighted-average assumptions used in determining the net periodic pension and postretirement benefit cost in our pension and postretirement plans in fiscal 2012, 2011 and 2010 were as follows:

<u>U.S. Plans</u> Fiscal	Pension Benefits			Other Postretirement Benefits		
	2012	2011	2010	2012	2011	2010
Discount rate	5.75%	6.25%	7.25%	5.75%	6.25%	7.25%
Expected return on plan assets	8.00%	8.00%	8.00%	—	—	—
Rate of compensation increase	3.00%	3.25%	3.50%	3.00%	3.25%	3.50%

<u>Non-U.S. Plans</u>		Pension Benefits		
Fiscal		2012	2011	2010
Discount rate		5.88%	5.83%	6.68%
Expected return on plan assets		7.50%	7.50%	7.50%
Rate of compensation increase		3.22%	3.43%	3.43%

For the year ended April 1, 2012, our U.S. net periodic pension cost was \$25.7 million and our non-U.S. net periodic benefit income was \$3.5 million.

Health care trend rates

The health care cost trend rates used in fiscal 2012 and 2011 were as follows:

Fiscal	Other Postretirement Benefits	
	2012	2011
Health care cost trend assumed for next year	6.73%	8.41%
Ultimate trend rate	4.70%	4.70%
Year ultimate rate is reached	2081	2081

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A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 percentage point increase	1 percentage point decrease
Effect on total of service and interest cost components	\$ 0.2	\$ (0.2)
Effect on postretirement benefit obligation	\$ 3.0	\$ (2.8)

During fiscal 2012, we contributed \$69.4 million to the defined benefit pension plans, of which \$50.0 million was voluntary. In the first month of fiscal 2013, we made a \$50.0 million voluntary contribution to the defined benefit pension plans. We expect to contribute approximately \$12.4 million of required contributions in fiscal 2013, for total contributions to the defined benefit pension plans of approximately \$62.4 million in fiscal 2013. In addition, we contributed \$8.5 million to the other postretirement benefit plans during fiscal 2012. We expect to contribute approximately \$7.0 million to the other postretirement benefit plans during fiscal 2013.

In July 2010, we paid \$38.3 million to one of our postretirement medical benefit plans that was jointly administered with a union. This payment and the related administrative changes remove PCC and its affiliates from any further financial, administrative or fiduciary responsibilities to this plan, and we therefore accounted for these events as a settlement of the plan and reversed the related liability. There was no significant gain or loss associated with the settlement.

Estimated future benefit payments for our pension and other postretirement benefit plans are expected to be:

Fiscal Year	Pension Benefits	Other Postretirement Benefits
2013	\$ 96.9	\$ 7.0
2014	81.8	6.7
2015	86.0	6.5
2016	88.5	6.4
2017	92.3	6.3
2018-2022	530.7	30.0

Plan asset allocations

The Company's asset allocation strategy is designed to balance the objectives of achieving the asset return assumption consistently over the long-term in order to fund future payment obligations and broadly diversifying investments across financial markets to protect investment values against adverse movements. In addition, we seek to minimize the volatility of the plans' funded status and the Company's pension expense. Asset classes with differing expected rates of return, return volatility and correlations are utilized to control risk and provide diversification. The asset categories are described below, along with the investment level classification under fair value guidance as defined in Note 12—Fair value measurements.

Public Equity Securities (Long/Hedged)

Long equity investments consist of publicly traded equity securities that are well diversified across managers, styles, sectors and countries. Hedged equity investments typically add short positions in equities or equity futures in order to generate absolute returns regardless of equity market direction. Public equity investments made directly through managed (separate) account structures and valued based upon closing prices reported in active trading markets are classified as Level 1. Equity investments made indirectly via liquid pooled funds valued at the net asset value ("NAV") of the fund are classified as Level 2 and are typically valued at the most recently published NAV of the fund, which may be derived from underlying investment values one quarter earlier, unless management believes an adjustment to NAV is warranted based on changes in observable inputs or an expectation that an investment will be sold at a value other than NAV.

Private Equity

Private equity investments consist of investments in limited partnerships or commingled vehicles with managers who purchase interests in non-public companies. Sub-categories of private equity may include venture capital, early stage, special situations or restructuring funds. Private equity funds typically have low liquidity, a 10 year or longer investment commitment, and valuation methodologies that require the use of significant unobservable inputs. Private equity investments are classified as Level 3 and are

typically valued at the most recently published NAV of the fund, unless management believes an adjustment is warranted as described above. For the years ended April 1, 2012 and April 3, 2011, no material adjustments were made to fund

NAVs.

Absolute Return (Market Sectors/Arbitrage)

Absolute return strategies are investments with managers who seek specified levels of absolute returns with minimal correlation to market movements. Absolute return managers typically invest in futures, forwards or options on a variety of asset classes. Market sector strategies seek to capitalize on movements in commodity, currency, interest rate and/or other traditional markets while arbitrage strategies focus on credit, volatility or other alternative asset classes. Investments are typically made in limited partnerships and classified Level 2 when funds offer regular liquidity at fund NAVs and reported values are based on significant observable inputs. All other investments are classified as Level 3 and are typically valued at the most recently published NAV of the fund, unless management believes an adjustment is warranted as described above.

Royalty Investments

Royalty investments are made through a limited partnership which purchases income-producing royalties derived from sales of pharmaceutical products. Valuation of the fund is determined from an independent appraisal process whereby significant observable inputs are used in determining the fund's NAV. Liquidity is typically arranged in the secondary market with trades occurring at the most recent published NAV. Royalty investments are classified as Level 2 and are typically valued at the most recently published NAV of the fund, unless management believes an adjustment is warranted as described above.

Fixed Income (Investment/Non-Investment Grade)

Fixed income investments consist of public and private fixed income securities of U.S. and non-U.S. government and corporate issuers and fixed income mutual funds. Fixed income investments made directly through managed (separate) account structures and valued based upon closing prices reported in the active trading markets are classified as Level 1. Fixed income investments made indirectly via liquid pooled funds valued at the NAV of the fund are classified as Level 2. Fixed income investments with low liquidity and valuation methodologies that require the use of significant unobservable inputs are classified as Level 3.

The fair value methods employed by PCC as noted above may not be validated at the time of sale and may not reflect future fair value measurements. The use of different assumptions of valuation methodologies may lead to different fair value measurements.

Cash/Other

Cash and other investments include highly liquid money market securities, demand deposits and other cash equivalents.

The table below sets forth our target asset allocation for fiscal 2012 and the actual allocations at April 1, 2012 and April 3, 2011:

	Target Allocation	Actual Allocation	Actual Allocation
	2012	4/1/2012	4/3/2011
Equity	25% – 60%	41%	40%
Fixed Income	5% – 50%	23%	24%
Absolute Return	5% – 40%	24%	25%
Royalties	0% – 15%	7%	8%
Cash/Other	1% – 10%	5%	3%
Total		100%	100%

The fair value of our pension plan assets at April 1, 2012 by asset category are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Equity:				
Long	\$ 288.1	\$ 45.1	\$ —	\$ 333.2
Hedged	48.6	159.7	0.8	209.1
Private Equity / Venture Capital	—	—	165.8	165.8
Total Equity	336.7	204.8	166.6	708.1
Absolute Return:				
Market Sectors	—	206.0	—	206.0
Arbitrage	—	192.9	12.6	205.5
Total Absolute Return	—	398.9	12.6	411.5
Royalties	—	126.9	—	126.9
Fixed Income:				
Investment Grade	311.7	2.2	—	313.9
Non-Investment Grade	—	41.1	31.7	72.8
Total Fixed Income	311.7	43.3	31.7	386.7
Cash/Other	85.3	0.8	—	86.1
Total	\$ 733.7	\$ 774.7	\$ 210.9	\$ 1,719.3

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended April 1, 2012:

Investment	Balance at April 3, 2011	Realized / Unrealized Gain / (Loss)	Net Purchases / (Redemptions)	Transfers Into / (Out of) Level 3	Balance at April 1, 2012
Hedged Equity	\$ —	\$ (0.4)	\$ (0.8)	\$ 2.0	\$ 0.8
Private Equity / Venture Capital	133.7	5.5	26.6	—	165.8
Arbitrage	12.7	(3.9)	—	3.8	12.6
Fixed Income - Non-Investment Grade	40.0	2.6	(10.9)	—	31.7
Total	\$ 186.4	\$ 3.8	\$ 14.9	\$ 5.8	\$ 210.9

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The fair value of our pension plan assets at April 3, 2011 by asset category are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Equity:				
Long	\$ 266.5	\$ 63.2	\$ —	\$ 329.7
Hedged	46.4	165.8	—	212.2
Private Equity / Venture Capital	—	—	133.7	133.7
Total Equity	312.9	229.0	133.7	675.6
Absolute Return:				
Market Sectors	—	186.2	—	186.2
Arbitrage	—	215.1	12.7	227.8
Total Absolute Return	—	401.3	12.7	414.0
Royalties	—	141.0	—	141.0
Fixed Income:				
Investment Grade	287.8	33.6	—	321.4
Non-Investment Grade	—	44.6	40.0	84.6
Total Fixed Income	287.8	78.2	40.0	406.0
Cash/Other	42.7	0.9	—	43.6
Total	\$ 643.4	\$ 850.4	\$ 186.4	\$ 1,680.2

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended April 3, 2011:

Investment	Balance at March 28, 2010	Realized / Unrealized Gain / (Loss)	Net Purchases / (Redemptions)	Transfers Into / (Out of) Level 3	Balance at April 3, 2011
Private Equity / Venture Capital	\$ 110.4	\$ 13.2	\$ 10.1	\$ —	\$ 133.7
Arbitrage	12.2	(1.3)	1.8	—	12.7
Fixed Income - Non-Investment Grade	—	5.0	0.2	34.8	40.0
Total	\$ 122.6	\$ 16.9	\$ 12.1	\$ 34.8	\$ 186.4

Multi-employer Pension Plans

We are a participating employer in several trustee-managed multiemployer, defined benefit pension plans for employees who participate in collective bargaining agreements. The risks of participating in these multiemployer plans are different from single-employer plans in that (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (ii) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be assumed by the remaining participating employers and (iii) if we choose to stop participating in any of our multiemployer plans, we may be required to pay those plans a withdrawal amount based on the underfunded status of the plan. The following table outlines our participation in multiemployer plans:

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status (a)		FIP/RP Status (b)	Contributions of PCC			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		FY2012	FY2011		FY2012	FY2011	FY2010		
IAM National Pension Plan	51-6031295/002 (c)	Green	Green	Not Applicable	\$ 1.0	\$ 1.0	\$ 0.8	No	6/30/2012 8/16/2012
Steelworkers Pension Trust	23-6648508/499	Green	Green	Not Applicable	3.2	3.0	2.4	No	8/3/2012
Boilermaker-Blacksmith National Pension Trust	48-6168020/001 (c)(d)	Yellow	Yellow	Implemented	0.5	0.7	0.4	No Yes	2/14/2014 7/15/2015
Total Contributions:					<u>\$ 4.7</u>	<u>\$ 4.7</u>	<u>\$ 3.6</u>		

(a) Unless otherwise noted in the table, the most recent Pension Protection Act zone status available in fiscal 2012 and fiscal 2011 is for the plan's year-end at December 31, 2011 and 2010, respectively. The zone status is based on information that we received from the plan and is certified by the plan's actuary.

(b) The "FIP/RP Status" column indicates plans for which a Funding Improvement Plan ("FIP") or a Rehabilitation Plan ("RP") is either pending or has been implemented.

(c) The plans zone status was calculated after taking into account IRS approval for an "amortization extension", adjusting future benefit accruals, and electing other funding relief measures made available under the Pension Relief Act of 2010.

(d) Beginning on January 1, 2010, the minimum contribution rate required to be paid by the employers is equal to the base contribution rate in effect, for the collective bargaining agreement in effect on September 30, 2008, multiplied by the following factors over the following five calendar years: 2010 - 135%; 2011 - 170%; 2012 - 205%; 2013 - 240%; after 01/01/2014 - 275%.

Defined Contribution Plans

The expense related to employer contributions to our defined contribution plans was \$18.9 million, \$14.4 million and \$14.4 million in fiscal 2012, 2011 and 2010, respectively.

19. Segment information

Information regarding segments is presented in accordance with segment disclosure guidance. Based on the criteria outlined in this guidance, our operations are classified into three reportable operating segments: Investment Cast Products, Forged Products and Fastener Products.

Investment Cast Products

The Investment Cast Products segment manufactures investment castings, and provides related investment casting materials and alloys, for aircraft engines, industrial gas turbine engines, airframes, armaments, medical prostheses and other industrial applications.

Forged Products

The Forged Products segment manufactures forged components from sophisticated titanium and nickel-based alloys principally for the aerospace and power markets, and manufactures metal alloys used to produce forged components for aerospace and non-aerospace markets which include products for oil and gas, chemical processing, and pollution control applications. The segment also provides nickel superalloy and titanium revert management solutions, re-melting various material byproducts and reusing them in casting, forging, and fastener manufacturing processes. The Forged Products segment also produces seamless pipe for the power and the oil and gas industries.

Fastener Products

The Fastener Products segment primarily produces highly engineered fasteners, fastener systems, aerostructures, and precision components for critical applications in the aerospace, automotive and industrial machinery markets. The majority of our Fastener Products sales come from the same aerospace customer base served by our Investment Cast Products and Forged Products segments. The balance of the segment's sales is derived from automotive and general industrial markets, including farm machinery, construction equipment, machine tools, medical equipment, appliances and recreation.

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Our chief operating decision maker evaluates performance and allocates resources based on revenues, operating income and net assets employed. The accounting policies of the reportable segments are the same as those described in Note 1—Summary of Significant Accounting Policies. Segment results are as follows:

Fiscal	2012	2011	2010
Net sales:			
Investment Cast Products	\$ 2,326.9	\$ 2,095.6	\$ 1,851.3
Forged Products	3,189.5	2,779.7	2,283.0
Fastener Products	1,698.2	1,344.8	1,324.9
Consolidated net sales	<u>\$ 7,214.6</u>	<u>\$ 6,220.1</u>	<u>\$ 5,459.2</u>
Intercompany sales activity ⁽¹⁾ :			
Investment Cast Products ⁽²⁾	\$ 295.5	\$ 238.8	\$ 199.1
Forged Products ⁽³⁾	927.4	740.2	703.4
Fastener Products ⁽⁴⁾	115.9	99.4	84.9
Total intercompany sales activity	<u>\$ 1,338.8</u>	<u>\$ 1,078.4</u>	<u>\$ 987.4</u>
Segment operating income (loss):			
Investment Cast Products	\$ 766.4	\$ 665.5	\$ 560.0
Forged Products	686.2	539.4	529.7
Fastener Products	488.1	411.0	440.2
Corporate expense	(123.5)	(113.1)	(106.6)
Total segment operating income	<u>1,817.2</u>	<u>1,502.8</u>	<u>1,423.3</u>
Interest expense, net	<u>5.2</u>	<u>9.0</u>	<u>13.1</u>
Consolidated income before income taxes and equity in earnings of unconsolidated affiliates	<u>\$ 1,812.0</u>	<u>\$ 1,493.8</u>	<u>\$ 1,410.2</u>
Depreciation and amortization expense:			
Investment Cast Products	\$ 35.1	\$ 34.9	\$ 35.7
Forged Products	88.1	87.7	75.2
Fastener Products	40.4	34.7	34.3
Corporate	6.2	6.5	6.6
Consolidated depreciation and amortization expense	<u>\$ 169.8</u>	<u>\$ 163.8</u>	<u>\$ 151.8</u>
Capital expenditures:			
Investment Cast Products	\$ 48.1	\$ 28.5	\$ 28.5
Forged Products	75.4	65.5	81.7
Fastener Products	39.1	26.4	16.8
Corporate	29.5	—	42.5
Consolidated capital expenditures	<u>\$ 192.1</u>	<u>\$ 120.4</u>	<u>\$ 169.5</u>
Total assets:			
Investment Cast Products	\$ 1,372.6	\$ 1,301.9	
Forged Products ⁽⁵⁾	4,869.3	4,174.3	
Fastener Products	3,441.5	2,110.3	

Corporate ⁽⁶⁾	761.8	1,311.6
Discontinued operations	113.6	57.8
Consolidated total assets	\$ 10,558.8	\$ 8,955.9

- (1) Intercompany sales activity consists of each segment's total intercompany sales activity, including intercompany sales activity within a segment and between segments.
- (2) Investment Cast Products: Includes intersegment sales activity of \$47.5 million, \$33.2 million and \$26.3 million for fiscal 2012, 2011 and 2010, respectively.
- (3) Forged Products: Includes intersegment sales activity of \$84.2 million, \$65.2 million and \$64.1 million for fiscal 2012, 2011 and 2010, respectively.
- (4) Fastener Products: Includes intersegment sales activity of \$4.5 million, \$4.2 million and \$2.8 million for fiscal 2012, 2011 and 2010, respectively.
- (5) Forged Products assets include \$441.5 million and \$410.5 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.
- (6) Corporate assets consist principally of cash and cash equivalents, property, plant & equipment and other assets.

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Net direct sales to General Electric were 15.4 percent, 12.5 percent and 14.0 percent of total sales in fiscal 2012, 2011 and 2010, respectively, as follows:

Fiscal	2012	2011	2010
Investment Cast Products	\$ 558.9	\$ 523.2	\$ 494.5
Forged Products	464.2	224.5	243.6
Fastener Products	85.1	27.5	26.7
	<u>\$ 1,108.2</u>	<u>\$ 775.2</u>	<u>\$ 764.8</u>

No other customer directly accounted for more than 10 percent of net sales.

Our business is conducted on a global basis with manufacturing, service and sales undertaken in various locations throughout the world. Net sales are attributed to geographic areas based on the location of the assets producing the revenues. Long-lived assets consist of net property, plant and equipment and certain other tangible long-term assets of continuing operations. Geographic information regarding our net sales and long-lived assets is as follows:

Fiscal	2012	2011	2010
United States	\$ 5,952.7	\$ 5,161.8	\$ 4,476.2
United Kingdom	796.2	672.1	673.4
Other countries	465.7	386.2	309.6
Net sales	<u>\$ 7,214.6</u>	<u>\$ 6,220.1</u>	<u>\$ 5,459.2</u>
United States	\$ 1,211.6	\$ 1,056.9	
United Kingdom	165.9	172.8	
Other countries	104.2	102.4	
Assets of discontinued operations	57.6	31.1	
Total tangible long-lived assets ⁽¹⁾	<u>\$ 1,539.3</u>	<u>\$ 1,363.2</u>	

(1) Long-lived assets exclude \$442.8 million and \$411.9 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.

20. Subsequent events

On April 2, 2012, we acquired RathGibson, LLC ("RathGibson"). RathGibson manufactures precision thin-wall, nickel-alloy and stainless steel welded and seamless tubing, with broad capabilities in length, wall thickness, and diameter. RathGibson's products are used in a multitude of oil & gas, chemical/petrochemical processing, and power generation applications, as well as in other commercial markets. RathGibson operates three facilities in Janesville, Wisconsin; North Branch, New Jersey; and Clarksville, Arkansas, and employs more than 500 people. The RathGibson acquisition is an asset purchase for tax purposes and will be reported as part of the Forged Products segment.

On May 18, 2012, we acquired Centra Industries ("Centra"), a state-of-the art aerostructures manufacturer located in Cambridge, Ontario. Centra manufactures a range of machined airframe components and assemblies, in both aluminum and hard metals. Core competencies include the high-speed machining of complex, high-precision structures, sub-assembly, and kit integration. Established in 1974, Centra has approximately 400 non-union employees. The Centra acquisition is a stock purchase for tax purposes and will be reported as part of the Fastener Products segment.

On May 20, 2012, we agreed to acquire Dickson Testing Company ("Dickson") and Aerocraft Heat Treating Company ("Aerocraft"). Dickson offers a full range of destructive testing services including: mechanical properties; metallurgical and chemical analyses; and low-cycle fatigue testing. Dickson is located in South Gate, California, with approximately 110 employees. Aerocraft provides precision heat treating services for titanium and nickel alloy forgings and castings used in the aerospace industry, as well as other related services including straightening, de-twisting and forming. Aerocraft is located in Paramount, California, with nearly 60 employees. The acquisition is an asset purchase for tax purposes and will be reported as part of the Forged Products segment. The transaction is expected to be completed by July 2012.

21. Condensed consolidating financial information

Certain of our subsidiaries guarantee our registered securities consisting of \$200 million of 5.6% Senior Notes due in fiscal 2014. The following condensed consolidating financial information presents, in separate columns, financial information for (i) Precision Castparts Corp. (on a parent only basis) with its investment in its subsidiaries recorded under the equity method, (ii) guarantor subsidiaries that guarantee the Company's public notes, with any investments in non-guarantor subsidiaries recorded under the equity method, (iii) direct and indirect non-guarantor subsidiaries on a combined basis, (iv) the eliminations necessary to arrive at the information for the Company and its subsidiaries on a consolidated basis, and (v) the Company on a consolidated basis, in each case for balance sheets as of April 1, 2012 and April 3, 2011, statements of income and statements of cash flows for the fiscal years ended April 1, 2012, April 3, 2011, and March 28, 2010. The public notes are fully and unconditionally guaranteed on a joint and several basis by each guarantor subsidiary. The guarantor subsidiaries include the majority of our domestic subsidiaries within the Investment Cast Products, Forged Products and Fastener Products segments that are 100% owned, directly or indirectly, by the Company within the meaning of Rule 3-10(h)(1) of Regulation S-X. There are no contractual restrictions limiting transfers of cash from guarantor and non-guarantor subsidiaries to the parent company, Precision Castparts Corp. The condensed consolidating financial information is presented herein, rather than separate financial statements for each of the guarantor subsidiaries, because guarantors are 100% owned and the guarantees are full and unconditional, joint and several.

The parent company had positive cash flows from operations for the year ended April 1, 2012. The positive operating cash flows are due to a variety of factors, including timing differences on intercompany charges from the parent to the subsidiaries as those charges are often settled with subsidiaries prior to the payment to our third party vendors, the application of tax overpayments from the prior year's tax returns to reduce quarterly estimated tax payments, and the tax benefit on the book expense recorded for stock based compensation expense. In addition, a significant portion of the parent Company's expenses, such as stock based compensation expense, do not result in a current period cash outflow.

Condensed Consolidating Statements of Income

Year Ended April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 6,026.3	\$ 1,512.8	\$ (324.5)	\$ 7,214.6
Costs and expenses:					
Cost of goods sold	16.6	4,097.3	1,159.9	(324.5)	4,949.3
Selling and administrative expenses	97.1	268.4	82.6	—	448.1
Other expense (income)	1.2	(5.7)	4.5	—	—
Interest (income) expense, net	(51.6)	64.1	(7.3)	—	5.2
Equity in earnings of subsidiaries	(1,256.5)	(79.9)	—	1,336.4	—
Total costs and expenses	(1,193.2)	4,344.2	1,239.7	1,011.9	5,402.6
Income before income tax and equity in earnings of unconsolidated affiliates	1,193.2	1,682.1	273.1	(1,336.4)	1,812.0
Income tax benefit (expense)	30.9	(558.9)	(66.4)	—	(594.4)
Equity in earnings of unconsolidated affiliates	—	1.4	13.2	—	14.6
Net income from continuing operations	1,224.1	1,124.6	219.9	(1,336.4)	1,232.2
Net income (loss) from discontinued operations	—	1.5	(7.9)	—	(6.4)
Net income	1,224.1	1,126.1	212.0	(1,336.4)	1,225.8
Net income attributable to noncontrolling interest	—	—	(1.7)	—	(1.7)
Net income attributable to PCC	\$ 1,224.1	\$ 1,126.1	\$ 210.3	\$ (1,336.4)	\$ 1,224.1

Condensed Consolidating Statements of Income

Year Ended April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 5,227.5	\$ 1,273.8	\$ (281.2)	\$ 6,220.1
Costs and expenses:					
Cost of goods sold	16.9	3,586.4	1,004.6	(281.2)	4,326.7
Selling and administrative expenses	86.8	230.0	73.8	—	390.6
Other expense (income)	0.9	(3.3)	2.4	—	—
Interest (income) expense, net	(48.4)	61.0	(3.6)	—	9.0
Equity in earnings of subsidiaries	(1,043.3)	(38.3)	—	1,081.6	—
Total costs and expenses	(987.1)	3,835.8	1,077.2	800.4	4,726.3
Income before income tax and equity in earnings of unconsolidated affiliates	987.1	1,391.7	196.6	(1,081.6)	1,493.8
Income tax benefit (expense)	26.4	(473.3)	(52.8)	—	(499.7)
Equity in earnings of unconsolidated affiliates	—	0.8	15.8	—	16.6
Net income from continuing operations	1,013.5	919.2	159.6	(1,081.6)	1,010.7
Net income (loss) from discontinued operations	—	8.2	(4.1)	—	4.1
Net income	1,013.5	927.4	155.5	(1,081.6)	1,014.8
Net income attributable to noncontrolling interest	—	—	(1.3)	—	(1.3)
Net income attributable to PCC	\$ 1,013.5	\$ 927.4	\$ 154.2	\$ (1,081.6)	\$ 1,013.5

Condensed Consolidating Statements of Income

Year Ended March 28, 2010	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 4,544.1	\$ 1,105.5	\$ (190.4)	\$ 5,459.2
Costs and expenses:					
Cost of goods sold	12.6	3,021.9	824.7	(190.4)	3,668.8
Selling and administrative expenses	84.8	196.4	85.9	—	367.1
Other (income) expense	(0.5)	(2.9)	3.4	—	—
Interest (income) expense, net	(45.8)	61.5	(2.6)	—	13.1
Equity in earnings of subsidiaries	(913.9)	(8.2)	—	922.1	—
Total costs and expenses	(862.8)	3,268.7	911.4	731.7	4,049.0
Income before income tax and equity in earnings of unconsolidated affiliates	862.8	1,275.4	194.1	(922.1)	1,410.2
Income tax benefit (expense)	59.0	(505.5)	(39.2)	—	(485.7)
Equity in earnings of unconsolidated affiliates	—	—	1.4	—	1.4
Net income from continuing operations	921.8	769.9	156.3	(922.1)	925.9
Net income (loss) from discontinued operations	—	5.1	(8.4)	—	(3.3)
Net income	921.8	775.0	147.9	(922.1)	922.6
Net income attributable to noncontrolling interest	—	(0.5)	(0.3)	—	(0.8)
Net income attributable to PCC	\$ 921.8	\$ 774.5	\$ 147.6	\$ (922.1)	\$ 921.8

Condensed Consolidating Balance Sheets

April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 452.8	\$ 17.6	\$ 228.3	\$ —	\$ 698.7
Receivables, net	44.3	4,008.6	252.4	(3,116.9)	1,188.4
Inventories	—	1,539.6	278.0	—	1,817.6
Prepaid expenses and other current assets	4.4	14.1	11.1	—	29.6
Income tax receivable	22.1	—	—	(14.2)	7.9
Deferred income taxes	8.8	—	6.1	(14.9)	—
Discontinued operations	—	39.7	101.5	(97.6)	43.6
Total current assets	532.4	5,619.6	877.4	(3,243.6)	3,785.8
Property, plant and equipment, net	1.4	1,041.6	279.2	—	1,322.2
Goodwill	—	2,935.8	578.7	—	3,514.5
Deferred income taxes	121.8	—	—	(121.8)	—
Investments in subsidiaries	11,340.1	548.4	—	(11,888.5)	—
Other assets	108.8	1,286.2	471.3	—	1,866.3
Discontinued operations	—	23.3	46.7	—	70.0
	<u>\$ 12,104.5</u>	<u>\$ 11,454.9</u>	<u>\$ 2,253.3</u>	<u>\$ (15,253.9)</u>	<u>\$ 10,558.8</u>
Liabilities and Equity					
Current liabilities:					
Long-term debt currently due	\$ —	\$ 0.3	\$ 0.2	\$ —	\$ 0.5
Accounts payable	3,290.4	527.8	111.4	(3,214.4)	715.2
Accrued liabilities	26.7	247.5	62.1	(1.1)	335.2
Income taxes payable	—	—	14.2	(14.2)	—
Deferred income taxes	—	16.3	—	(14.9)	1.4
Discontinued operations	—	6.2	12.4	—	18.6
Total current liabilities	3,317.1	798.1	200.3	(3,244.6)	1,070.9
Long-term debt	201.6	0.3	5.8	—	207.7
Deferred income taxes	—	339.4	41.5	(121.8)	259.1
Pension and other postretirement benefit obligations	204.4	136.4	18.1	—	358.9
Other long-term liabilities	16.6	228.0	35.0	—	279.6
Discontinued operations	—	3.1	14.7	—	17.8
Commitments and contingencies					
Total equity	8,364.8	9,949.6	1,937.9	(11,887.5)	8,364.8
	<u>\$ 12,104.5</u>	<u>\$ 11,454.9</u>	<u>\$ 2,253.3</u>	<u>\$ (15,253.9)</u>	<u>\$ 10,558.8</u>

Condensed Consolidating Balance Sheets

April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 940.2	\$ 11.6	\$ 207.2	\$ —	\$ 1,159.0
Receivables, net	53.8	3,608.9	125.2	(2,809.2)	978.7
Inventories	—	1,180.5	278.9	—	1,459.4
Prepaid expenses and other current assets	2.6	9.0	9.4	—	21.0
Income tax receivable	33.6	—	—	(13.6)	20.0
Deferred income taxes	9.6	—	4.8	(14.4)	—
Discontinued operations	—	6.5	100.0	(94.0)	12.5
Total current assets	1,039.8	4,816.5	725.5	(2,931.2)	3,650.6
Property, plant and equipment, net	1.3	909.8	283.7	—	1,194.8
Goodwill	—	2,352.2	537.0	—	2,889.2
Deferred income taxes	75.2	—	—	(75.2)	—
Investments in subsidiaries	9,269.6	414.2	—	(9,683.8)	—
Other assets	163.3	523.2	489.5	—	1,176.0
Discontinued operations	—	28.5	16.6	0.2	45.3
	<u>\$ 10,549.2</u>	<u>\$ 9,044.4</u>	<u>\$ 2,052.3</u>	<u>\$ (12,690.0)</u>	<u>\$ 8,955.9</u>
Liabilities and Equity					
Current liabilities:					
Long-term debt currently due	\$ 14.2	\$ 0.3	\$ 0.2	\$ —	\$ 14.7
Accounts payable	2,949.6	441.7	105.2	(2,888.7)	607.8
Accrued liabilities	28.5	219.7	56.9	(1.1)	304.0
Income taxes payable	—	—	13.6	(13.6)	—
Deferred income taxes	—	23.7	—	(14.4)	9.3
Discontinued operations	—	19.6	1.0	(14.4)	6.2
Total current liabilities	2,992.3	705.0	176.9	(2,932.2)	942.0
Long-term debt	215.4	0.6	5.9	—	221.9
Deferred income taxes	—	205.9	63.5	(75.0)	194.4
Pension and other postretirement benefit obligations	163.9	87.5	1.1	—	252.5
Other long-term liabilities	13.1	159.1	8.4	—	180.6
Discontinued operations	—	—	—	—	—
Commitments and contingencies					
Total equity	7,164.5	7,886.3	1,796.5	(9,682.8)	7,164.5
	<u>\$ 10,549.2</u>	<u>\$ 9,044.4</u>	<u>\$ 2,052.3</u>	<u>\$ (12,690.0)</u>	<u>\$ 8,955.9</u>

Condensed Consolidating Statements of Cash Flows

Year Ended April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net cash provided by operating activities	\$ 34.2	\$ 878.3	\$ 125.8	\$ —	\$ 1,038.3
Acquisitions of businesses, net of cash acquired	(944.0)	(431.2)	(48.7)	—	(1,423.9)
Capital expenditures	(0.5)	(167.2)	(24.4)	—	(192.1)
Intercompany advances	—	(310.0)	8.4	301.6	—
Intercompany loans	17.2	—	—	(17.2)	—
Other investing activities, net	—	35.5	(9.1)	—	26.4
Net cash provided (used) by investing activities of discontinued operations	—	0.5	(0.6)	0.1	—
Net cash used by investing activities	(927.3)	(872.4)	(74.4)	284.5	(1,589.6)
Net change in long-term debt	(28.6)	0.1	(0.1)	—	(28.6)
Common stock issued	122.1	—	—	—	122.1
Excess tax benefits from share-based payment arrangements	29.6	—	—	—	29.6
Cash dividends	(17.3)	—	—	—	(17.3)
Intercompany advances	301.7	—	—	(301.7)	—
Intercompany loans	—	—	(40.1)	40.1	—
Other financing activities, net	(1.8)	—	(0.6)	—	(2.4)
Net cash provided by financing activities of discontinued operations	—	—	22.9	(22.9)	—
Net cash provided (used) by financing activities	405.7	0.1	(17.9)	(284.5)	103.4
Effect of exchange rate changes on cash and cash equivalents	—	—	(12.4)	—	(12.4)
Net increase in cash and cash equivalents	(487.4)	6.0	21.1	—	(460.3)
Cash and cash equivalents at beginning of year	940.2	11.6	207.2	—	1,159.0
Cash and cash equivalents at end of year	\$ 452.8	\$ 17.6	\$ 228.3	\$ —	\$ 698.7

Condensed Consolidating Statements of Cash Flows

Year Ended April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	\$ (0.1)	\$ 933.6	\$ 104.5	\$ —	\$ 1,038.0
Acquisitions of businesses, net of cash acquired	(25.0)	(12.2)	—	—	(37.2)
Investment in unconsolidated affiliates	(7.2)	—	(11.2)	7.2	(11.2)
Capital expenditures	—	(86.9)	(33.5)	—	(120.4)
Intercompany advances	—	(851.6)	9.6	842.0	—
Intercompany loans	(7.2)	—	—	7.2	—
Other investing activities, net	14.9	25.5	(6.8)	—	33.6
Net cash provided by investing activities of discontinued operations	—	3.2	5.9	(6.8)	2.3
Net cash used by investing activities	(24.5)	(922.0)	(36.0)	849.6	(132.9)
Net change in long-term debt	(14.7)	0.1	(0.1)	—	(14.7)
Common stock issued	116.3	—	—	—	116.3
Excess tax benefits from share-based payment arrangements	30.3	—	—	—	30.3
Cash dividends	(17.1)	—	—	—	(17.1)
Intercompany advances	835.2	—	—	(835.2)	—
Intercompany loans	—	(1.4)	8.6	(7.2)	—
Other financing activities, net	—	—	6.0	(7.2)	(1.2)
Net cash provided (used) by financing activities	950.0	(1.3)	14.5	(849.6)	113.6
Effect of exchange rate changes on cash and cash equivalents	—	—	27.9	—	27.9
Net increase in cash and cash equivalents	925.4	10.3	110.9	—	1,046.6
Cash and cash equivalents at beginning of year	14.8	1.3	96.3	—	112.4
Cash and cash equivalents at end of year	\$ 940.2	\$ 11.6	\$ 207.2	\$ —	\$ 1,159.0

Condensed Consolidating Statements of Cash Flows

Year Ended March 28, 2010	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	\$ (112.6)	\$ 864.2	\$ 158.2	\$ —	\$ 909.8
Acquisitions of businesses, net of cash acquired	(864.2)	—	—	—	(864.2)
Investment in unconsolidated affiliates	—	—	(351.0)	—	(351.0)
Capital expenditures	(0.3)	(91.9)	(77.3)	—	(169.5)
Intercompany advances	(150.4)	(740.9)	25.0	866.3	—
Intercompany loans	(73.6)	—	—	73.6	—
Other investing activities, net	24.8	(11.6)	(6.3)	—	6.9
Net cash (used) provided by investing activities of discontinued operations	—	(13.0)	4.2	10.8	2.0
Net cash used by investing activities	(1,063.7)	(857.4)	(405.4)	950.7	(1,375.8)
Net change in long-term debt	(54.0)	(6.4)	5.1	—	(55.3)
Common stock issued	89.0	—	—	—	89.0
Excess tax benefits from share-based payment arrangements	23.1	—	—	—	23.1
Cash dividends	(16.9)	—	—	—	(16.9)
Intercompany advances	726.7	—	—	(726.7)	—
Intercompany loans	—	—	73.6	(73.6)	—
Capital contributions	—	—	150.4	(150.4)	—
Net cash used by financing activities of discontinued operations	—	(1.0)	—	—	(1.0)
Net cash provided (used) by financing activities	767.9	(7.4)	229.1	(950.7)	38.9
Effect of exchange rate changes on cash and cash equivalents	—	—	(15.0)	—	(15.0)
Net decrease in cash and cash equivalents	(408.4)	(0.6)	(33.1)	—	(442.1)
Cash and cash equivalents at beginning of year	423.2	1.9	129.4	—	554.5
Cash and cash equivalents at end of year	\$ 14.8	\$ 1.3	\$ 96.3	\$ —	\$ 112.4

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Precision Castparts Corp.
Portland, Oregon

We have audited the accompanying consolidated balance sheets of Precision Castparts Corp. and subsidiaries (the “Company”) as of April 1, 2012 and April 3, 2011, and the related consolidated statements of income, equity and comprehensive income, and of cash flows for each of the three years in the period ended April 1, 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, such consolidated financial statements present fairly, in all material respects, the financial position of Precision Castparts Corp. and subsidiaries as of April 1, 2012 and April 3, 2011, and the results of their operations and their cash flows for each of the three years in the period ended April 1, 2012, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of April 1, 2012, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated May 31, 2012 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon
May 31, 2012

Quarterly Financial Information ⁽¹⁾

(Unaudited)

(In millions, except per share data)

2012	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 1,675.3	\$ 1,784.7	\$ 1,805.9	\$ 1,948.7
Gross profit	\$ 525.0	\$ 550.9	\$ 572.3	\$ 617.1
Net income	\$ 286.5	\$ 295.0	\$ 307.7	\$ 336.6
Net income (loss) attributable to PCC shareholders:				
Continuing operations	\$ 285.6	\$ 296.5	\$ 310.0	\$ 338.4
Discontinued operations	0.4	(1.8)	(2.7)	(2.3)
	<u>\$ 286.0</u>	<u>\$ 294.7</u>	<u>\$ 307.3</u>	<u>\$ 336.1</u>
Net income (loss) per share-basic:				
Continuing operations	1.99	2.06	2.15	2.33
Discontinued operations	—	(0.01)	(0.02)	(0.01)
	<u>1.99</u>	<u>2.05</u>	<u>2.13</u>	<u>2.32</u>
Net income (loss) per share-diluted:				
Continuing operations	1.97	2.04	2.13	2.31
Discontinued operations	—	(0.01)	(0.02)	(0.01)
	<u>1.97</u>	<u>2.03</u>	<u>2.11</u>	<u>2.30</u>
Cash dividends per share	0.03	0.03	0.03	0.03
Common stock prices:				
High	165.99	173.98	178.98	179.47
Low	140.42	136.04	139.87	162.07
End	165.84	155.46	164.79	172.90
2011	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 1,446.8	\$ 1,508.1	\$ 1,590.3	\$ 1,674.9
Gross profit	\$ 450.1	\$ 460.9	\$ 488.6	\$ 493.8
Net income	\$ 235.4	\$ 251.3	\$ 256.9	\$ 271.2
Net income (loss) attributable to PCC shareholders:				
Continuing operations	\$ 236.1	\$ 243.6	\$ 258.7	\$ 271.0
Discontinued operations	(1.1)	7.4	(2.2)	—
	<u>\$ 235.0</u>	<u>\$ 251.0</u>	<u>\$ 256.5</u>	<u>\$ 271.0</u>
Net income (loss) per share-basic:				
Continuing operations	1.66	1.71	1.81	1.89
Discontinued operations	(0.01)	0.05	(0.01)	—
	<u>1.65</u>	<u>1.76</u>	<u>1.80</u>	<u>1.89</u>
Net income (loss) per share-diluted:				
Continuing operations	1.65	1.70	1.80	1.87
Discontinued operations	(0.01)	0.05	(0.02)	—
	<u>1.64</u>	<u>1.75</u>	<u>1.78</u>	<u>1.87</u>
Cash dividends per share	0.03	0.03	0.03	0.03
Common stock prices:				
High	135.40	131.74	145.40	151.96
Low	102.46	100.99	126.90	136.00

End	108.56	131.38	139.21	149.61
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⁽¹⁾ *Historical amounts have been restated to present certain businesses as discontinued operations.*

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Controls and Procedures

We maintain disclosure controls and procedures that are designed with the objective of providing reasonable assurance that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply their judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, an evaluation was performed on the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this annual report. Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of April 1, 2012.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Chief Executive Officer and Chief Financial Officer Certifications

The certifications of our Chief Executive Officer and Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act have been filed as Exhibits 31.1 and 31.2 to this report.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as this term is defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting process is 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. Our 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.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. Based on our assessment using that criteria, our management concluded that, as of April 1, 2012, the Company's internal control over financial reporting was effective.

During fiscal 2012, PCC acquired eight businesses. Management has excluded these businesses from its assessment of internal control over financial reporting as of April 1, 2012 as it was determined that Management could not complete an assessment of the internal control over financial reporting of the acquired businesses in the period between the acquisition date and the date of

management's assessment date. Total assets and revenues of these acquisitions represent approximately 16.8% and 5.7%, respectively, of the related consolidated financial statement amounts as of and for the fiscal year ended April 1, 2012.

Our internal control over financial reporting as of April 1, 2012, has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which is included herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Precision Castparts Corp.
Portland, Oregon

We have audited the internal control over financial reporting of Precision Castparts Corp. and subsidiaries (the "Company") as of April 1, 2012, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at eight businesses, which were acquired during the year ended April 1, 2012, and whose financial statements constitute, in aggregate, 16.8% of total assets and 5.7% of revenues of the consolidated financial statement amounts as of and for the year ended April 1, 2012. Accordingly, our audit did not include the internal control over financial reporting at such businesses. The Company's 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 by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, 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. 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 the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the 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, the Company maintained, in all material respects, effective internal control over financial reporting as of April 1, 2012, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended April 1, 2012 of the Company and our report dated May 31, 2012 expressed an unqualified opinion on those financial statements.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon
May 31, 2012

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information with respect to Directors of the Company is incorporated herein by reference to “Proposal 1: Election of Directors” continuing through “Board of Directors and Committee Meetings and Board Leadership Structure” and to “Audit Committee” and “Report of the Audit Committee” in our Proxy Statement to be filed for the 2012 Annual Meeting of Shareholders of the Registrant. The information required by this item with respect to our executive officers follows Part I, Item 4(a) of this document.

Information with respect to compliance with Section 16(a) of the Exchange Act is incorporated herein by reference to “Section 16(a) Beneficial Ownership Reporting Compliance” in our Proxy Statement to be filed for the 2012 Annual Meeting of Shareholders of the Registrant.

The Company has adopted a code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Company has posted this Code of Conduct on the PCC Corporate Center at www.precast.com/PCC/Governance.html. A copy may also be received free of charge by calling Investor Relations at (503) 946-4850 or sending an email to info@precastcorp.com.

ITEM 11. EXECUTIVE COMPENSATION

Information with respect to Executive Compensation is incorporated herein by reference to “Compensation Committee Interlocks and Insider Participation,” “Compensation of Executive Officers,” “Compensation Discussion and Analysis” and “Director Compensation” in the Proxy Statement to be filed for the 2012 Annual Meeting of Shareholders of the Registrant.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information with respect to Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters is incorporated herein by reference to “Security Ownership of Certain Beneficial Owners,” “Security Ownership of Directors and Executive Officers” and “Equity Compensation Plan Information” in the Proxy Statement to be filed for the 2012 Annual Meeting of Shareholders of the Registrant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information with respect to Certain Relationships and Related Transactions and Director Independence is incorporated herein by reference to “Proposal 1: Election of Directors, Corporate Governance” and continuing through “Director Independence” and to “Transactions with Related Persons” in the Proxy Statement to be filed for the 2012 Annual Meeting of Shareholders of the Registrant.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information with respect to Principal Accounting Fees and Services is incorporated herein by reference to “Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm” in the Proxy Statement to be filed for the 2012 Annual Meeting of Shareholders of the Registrant.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The following consolidated financial statements of Precision Castparts Corp. are included in “Item 8. Financial Statements and Supplementary Data.”

Consolidated Statements of Income
Consolidated Balance Sheets
Consolidated Statements of Cash Flows
Consolidated Statements of Equity and Comprehensive Income
Notes to Consolidated Statements
Report of Independent Registered Public Accounting Firm

(a)(2) Financial Statement Schedules

None.

(a)(3) Exhibits

- 3.1 Restated Articles of Incorporation of Precision Castparts Corp., as amended. (Incorporated herein by reference to Exhibit 3(A) to the Form 10-K filed June 11, 2002.)
- 3.2 Articles of Amendment to Restated Articles of Incorporation of Precision Castparts Corp. (Incorporated herein by reference to Exhibit 3(i) to the Form 10-Q filed November 8, 2006.)
- 3.3 Articles of Amendment to Restated Articles of Incorporation of Precision Castparts Corp. (Incorporated herein by reference to Exhibit 3.1 to the Form 8-K filed December 16, 2008.)
- 3.4 Bylaws of Precision Castparts Corp. (Incorporated herein by reference to Exhibit 3.2 to the Form 8-K filed February 18, 2011.)
- 4.1 Indenture dated December 17, 1997 between J.P. Morgan Trust Company, National Association (as successor to Bank One Trust Company, N.A., which was the successor to The First National Bank of Chicago) as Trustee and PCC (Incorporated herein by reference to Exhibit (4)A to the Form 10-K filed June 26, 1998.)
- 4.2 First Supplemental Indenture dated as of June 30, 2001 between J.P. Morgan Trust Company, National Association (as successor to Bank One Trust Company, N.A., which was the successor to The First National Bank of Chicago) as Trustee and PCC (Incorporated herein by reference to Exhibit 4.6 to the Form S-4 filed September 23, 2003.)
- 4.3 PCC Guarantee of Subsidiaries dated July 1, 2001 (Incorporated herein by reference to Exhibit (4)E to the Form 10-K filed June 11, 2002.)
- 4.4 Second Supplemental Indenture dated as of December 9, 2003 among J.P. Morgan Trust Company, National Association (as successor to Bank One Trust Company, N.A., which was the successor to The First National Bank of Chicago), as Trustee, PCC and the guarantors named therein (Incorporated herein by reference to Exhibit 4.2 to the Form 10-Q filed February 11, 2004.)
- 4.5 Third Supplemental Indenture dated as of December 9, 2003 among J.P. Morgan Trust Company, National Association (as successor to Bank One Trust Company, N.A., which was the successor to The First National Bank of Chicago), as Trustee, PCC and the guarantors named therein (Incorporated herein by reference to Exhibit 4.3 to the Form 10-Q filed February 11, 2004.)

- 4.6 Tri-Party Agreement dated as of August 18, 2005 by and among PCC, J.P. Morgan Trust Company, National Association, as resigning trustee, and U.S. Bank National Association, as successor trustee (Incorporated herein by reference to Exhibit 4.8 to the Form 10-K filed June 14, 2006.)
- 4.7 Form of 5.60% Senior Note due 2013 (Incorporated herein by reference to Exhibit A to Exhibit 4.2 to the Form 10-Q filed February 11, 2004.)
- 4.8 Form of Notation of Guarantee (Incorporated herein by reference to Exhibit E to Exhibit 4.2 to the Form 10-Q filed February 11, 2004.)
- 4.9 Rights Agreement, dated as of December 12, 2008, between Precision Castparts Corp. and the Bank of New York Mellon (Incorporated herein by reference to Exhibit 4.1 to the Form 8-K filed December 16, 2008.)

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10.1	Credit Agreement, dated November 30, 2011, by and among Precision Castparts Corp., Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer, Wells Fargo Bank, National Association and Citibank, N.A., as Syndication Agents, and the other lenders from time to time party thereto (Incorporated herein by reference to Exhibit 10.1 to the Form 8-K filed December 5, 2011.)
10.2	Non-Employee Directors' Stock Option Plan (Incorporated herein by reference to Exhibit (10)B to the Form 10-Q filed August 8, 1997.) *
10.3	1994 Stock Incentive Plan, as amended (Incorporated herein by reference to Exhibit 10.2 to the Form 8-K filed November 19, 2007.) *
10.4	1999 Non-Qualified Stock Option Plan, as amended (Incorporated herein by reference to Exhibit 10.3 to the Form 8-K filed November 19, 2007.)
10.5	2001 Stock Incentive Plan, as amended (Incorporated herein by reference to Exhibit 10.1 to the Form 8-K filed August 15, 2008.) *
10.6	2008 Employee Stock Purchase Plan (Incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed February 5, 2010) *
10.7	Non-Employee Directors Deferred Stock Units Program (Incorporated herein by reference to Exhibit 10.10 to the Form 10-K filed May 27, 2010) *
10.8	Form of Nonstatutory Stock Option Agreement for SERP Level One and Level Two Participants (Incorporated herein by reference to Exhibit 10.1 to the Form 8-K filed August 14, 2009.) *
10.9	Form of Deferred Stock Units Award Agreement (Incorporated herein by reference to Exhibit 10.12 to the Form 10-K filed May 27, 2010) *
10.10	Executive Performance Incentive Plan (Incorporated herein by reference to Exhibit A to the Company's July 3, 2007 Proxy Statement.) *
10.11	Incentive Compensation Program for Human Capital Planning Performance (Incorporated herein by reference to Exhibit 10.15 to the Form 10-K filed May 28, 2009.) *
10.12	Executive Deferred Compensation Plan, 2005 Restatement as amended through Amendment No. 3 (Incorporated herein by reference to Exhibit 10.16 to the Form 10-K filed May 28, 2009.) *
10.13	Nonemployee Directors' Deferred Compensation Plan, 2005 Restatement as amended through Amendment No. 3 (Incorporated herein by reference to Exhibit 10.17 to the Form 10-K filed May 28, 2009.) *
10.14	Frozen Supplemental Executive Retirement Program, December 31, 2004 Restatement (Incorporated herein by reference to Exhibit 10.2 to the Form 8-K filed December 19, 2006.) *
10.15	Supplemental Executive Retirement Program—Level One Plan—Ongoing, as amended *
10.16	Supplemental Executive Retirement Program—Level Two Plan—Ongoing, as amended *
10.17	Form of Amended and Restated Change of Control Agreement for Executives of Precision Castparts Corp. (Incorporated herein by reference to Exhibit 10.20 to the Form 10-K filed June 2, 2011.) *
10.18	Form of Indemnity Agreement for Executives of Precision Castparts Corp. (Incorporated herein by reference to Exhibit (10)M to the Form 10-K filed June 12, 2001.) *
10.19	Time Sharing Agreement, dated October 23, 2007, between Precision Castparts Corp. and Mark Donegan (Incorporated herein by reference to Exhibit 10.1 to the Form 10-Q filed November 9, 2007.) *
21	Subsidiaries of Precision Castparts Corp.

23.1	Consent of Independent Registered Public Accounting Firm, Deloitte & Touche LLP
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document.

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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.*

(b) See a(3) above.

(c) See a(2) above.

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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.

PRECISION CASTPARTS CORP.

BY:

/s/ MARK DONEGAN

Mark Donegan
Chairman and Chief Executive Officer

Dated: May 31, 2012

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 on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
As officers or directors of PRECISION CASTPARTS CORP.		
<u>/s/ MARK DONEGAN</u> Mark Donegan	Chairman and Chief Executive Officer	May 31, 2012
<u>/s/ SHAWN R. HAGEL</u> Shawn R. Hagel	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	May 31, 2012
<u>/s/ DON R. GRABER</u> Don R. Graber	Director	May 31, 2012
<u>/s/ LESTER L. LYLES</u> Lester L. Lyles	Director	May 31, 2012
<u>/s/ DANIEL J. MURPHY</u> Daniel J. Murphy	Director	May 31, 2012
<u>/s/ VERNON E. OECHSLE</u> Vernon E. Oechsle	Director	May 31, 2012
<u>/s/ STEVEN G. ROTHMEIER</u> Steven G. Rothmeier	Director	May 31, 2012
<u>/s/ ULRICH SCHMIDT</u> Ulrich Schmidt	Director	May 31, 2012
<u>/s/ RICHARD L. WAMBOLD</u> Richard L. Wambold	Director	May 31, 2012

/s/ TIMOTHY A. WICKS

Timothy A. Wicks

Director

May 31, 2012

CONFORMED COPY

PRECISION CASTPARTS CORP.

**SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM -
LEVEL ONE PLAN—ONGOING**

January 1, 2005

(As Amended Through Amendment No. 2)

**Precision Castparts Corp.,
an Oregon corporation
4650 SW Macadam Avenue, Suite 440
Portland, OR 97239**

Company

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PRECISION CASTPARTS CORP.

**SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM -
LEVEL ONE PLAN—ONGOING**

January 1, 2005

(As Amended Through Amendment No. 2)

**Precision Castparts Corp.,
an Oregon corporation
4650 SW Macadam Avenue, Suite 440
Portland, OR 97239 Company**

Precision Castparts Corp., an Oregon corporation (the “Company”), adopted the Supplemental Executive Retirement Program (the “Program”) effective February 1, 1989 to provide supplemental retirement benefits for a select group of management or highly compensated employees (“Executives”) as an incentive for them to develop careers with the Company and to perform with a degree of excellence that will promote the best interests of the Company. The Program, which is a supplement to the Executives’ base compensation emoluments, equity compensation and other retirement benefits, is intended to provide additional and supplemental retirement benefits, above and beyond other Company-provided retirement plans, as a reward to those Executives who retire from the Company after substantially contributing to its success for many years. The Company does not intend the Program to provide benefits to Executives who, after retiring from the Company, continue in or resume active employment or otherwise engage in any business in the same or similar industry(ies) as the Company or any Affiliate. The Program has had two components: the “SERP - Level One Plan” and the “SERP - Level Two Plan.”

The Company has restated the SERP - Level One Plan and the SERP-Level Two Plan to provide for all then-covered participants’ December 31, 2004 vested accrued benefits and to provide for ongoing accruals (if applicable) without changing plan terms except as required by changes in applicable law for such then-covered participants continuing in covered employment after that date.

This SERP – Level One Plan (the “Plan”) is adopted in connection with the changes described above in order to provide for accruals for qualifying Executives in Plan-covered employment under the SERP-Level One Plan on December 31, 2004 who were not vested under that plan on that date and have ongoing employment after that date and for other designated Executives, and to conform with changes in applicable law (including requirements of Internal Revenue Code (“Code”) section 409A (“409A”) and related guidance).

1. Eligibility and Participation

1.1 Eligible Employees. Participation shall be limited to a select group of designated Executives of the Company and of its U. S. Affiliates. “Affiliate” means a corporation or other business that is more than 50 percent owned by the Company.

1.2 Selection of Participants

1.2-1 Initially, participants in this Plan shall be those Executives who were in covered employment on December 31, 2004 under the SERP - Level One Plan but did not have vested benefits under that plan on that date and those Executives who have been designated for participation after that date. Other Executives may be designated for participation in this Plan by the Compensation Committee (the “Committee”) of the Board of Directors of the Company. The chief executive officer of the Company may recommend additional participants for approval by the Committee. An Executive may be selected for participation at any time. The Committee may also remove a participant from this Plan on a prospective basis, with or without cause. The Committee-appointed administrator for this Plan (the Administrator) shall notify the participant in writing within 30 days after Committee action establishing the removal. The effective date of removal shall be the date of adoption of the Committee action.

1.2-2 Subject to 1.4, following any removal under 1.2-1, the following shall apply:

- (a) The removal, in itself, shall not cause an immediate forfeiture of benefits.
- (b) No further Years of Benefit Service shall be counted following the date of removal.
- (c) The amount described in 2.1-5(a) shall not change after removal, but the amounts described in 2.1-5(b) may change due to further accruals or other increases in the Retirement Plan Benefit and Primary Social Security Benefit.
- (d) A removed participant who continues to be employed by the Company or an Affiliate shall not earn additional credit for Years of Eligibility Service needed to qualify for retirement under Section 2 unless additional credit is authorized by the Committee.
- (e) The preretirement spousal death benefit, if applicable under 4.3, shall end 30 days after notice of removal is given under 1.2-1.
- (f) If the participant is married at removal and remains married until the benefit start date, the Company-paid survivor annuity under 2.1-3, as well as any election under 3.3-2 to increase the survivor annuity from 50 percent to 100 percent, shall continue to apply. If the participant is married

at removal and is unmarried or married to a different spouse at the benefit start date, the Company-paid survivor annuity under 2.1-3 shall not apply. If the participant is unmarried at removal but becomes married before the benefit start date, the Company-paid survivor annuity under 2.1-3 shall not apply, but the participant may elect within 30 days after marriage, subject to the Subsequent Lump-Sum Election rules under 3.4, an actuarially equivalent spousal survivor annuity at 50 percent or 100 percent determined with reference to the otherwise payable normal benefit for the participant's life only.

1.2-3 Credit for Preacquisition Service and Pay. "Acquisition" means an asset or stock purchase by the Company or an Affiliate of an unaffiliated business. Preacquisition service, pay, or both may be credited under this Plan as follows:

- (a) Credit may be granted by the Committee in the process of enrollment of Executives.
- (b) After enrollment, credit may be granted by the Company's chief executive officer, except that credit for the chief executive officer may be granted only by the Committee.
- (c) The terms on which credit is granted shall be stated in writing and communicated to the affected Executive.

1.3 Enrollment. Enrollment shall be as follows:

- (a) Upon initial eligibility, each participant shall be notified of the terms of this Plan and given a "Statement of Participation" signed by the Company.
 - (b) The Executive shall enroll for participation by completing the Statement of Participation, including all relevant benefit elections as to the form of payment, signing it and returning it to the Administrator.
 - (c) Except as provided in 1.4(b), an Executive may only file one Statement of Participation.
 - (d) The Statement of Participation shall be provided to the Executive with information about benefits as soon as reasonably practicable after the Committee authorizes the Administrator to enroll the Executive for participation. The Executive is not eligible to become a participant until the Executive has received the Statement of Participation, and the Executive shall not become a Participant until the Executive returns a completed, signed Statement of Participation to the Administrator.
-

(e) The completed, signed Statement of Participation must be returned by the Executive to the Administrator as soon as reasonably practicable after the date the Executive receives the Statement of Participation from the Administrator. The lump-sum benefit payment method under 3.3 may only be selected in a Statement of Participation if the signed Statement of Participation is returned by the Executive to the Administrator within 30 days after receipt from the Administrator.

1.4 Election. The Statement of Participation must specify the participant's election as to the form of payment from the forms of benefit available under 3.3. Such election will be irrevocable except as follows:

(a) A Subsequent Lump-Sum Election may be filed as provided in 3.4.

(b) One replacement Statement of Participation may be filed by an Executive not later than December 31, 2007 (or such other time as may be permitted under Internal Revenue Service transition relief relating to Code section 409A), but the replacement Statement of Participation may not cause any amounts to become payable in the calendar year during which the replacement Statement of Participation is filed or change the time or form of payment of any amounts otherwise payable in the calendar year during which the replacement Statement of Participation is filed.

(c) A change from one form of annuity payment to another form of annuity payment may be made as provided in 3.3-2. Such a change shall be made as provide in 3.3-4 and related provisions.

2. Supplemental Benefits

2.1 Benefit on Retirement at or After Normal Retirement Date

2.1-1 Subject to 2.1-3 and 2.1-4, the basic supplemental benefit on normal retirement with 20 Years of Benefit Service at or after Normal Retirement Date shall be a monthly pension for life equal to 60 percent of Final Average Pay, minus the participant's Retirement Plan Benefit and the participant's Primary Social Security Benefit. The percentage adjustment on normal retirement with more than or less than 20 Years of Benefit Service is provided in 2.1-5. The benefit starting date is addressed in 3.1 and related provisions and the form of payment is addressed in 3.3 and related provisions. Normal Retirement Date means the date the participant both has at least 10 Years of Eligibility Service and is at least age 65.

2.1-2 Unless the participant elects a lump sum on enrollment, or pursuant to a valid Subsequent Lump-Sum Election or a valid replacement Statement of Participation, the participant's benefit will be paid in the form of an annuity as provided in 3.3.

2.1-3 For a participant who is married at the time retirement benefit payments start, the benefit shall include a survivor annuity for the participant's spouse under which after the participant's death, ongoing benefits shall be paid to the participant's surviving spouse for life at a monthly rate equal to half the monthly rate paid to the participant. The married participant's retirement benefit shall not be reduced to provide for this survivor annuity. As provided in 3.3-2, a married participant may elect to have the surviving spouse's survivor annuity increased to provide for continuation of benefits in full after the participant's death, in which case the participant's retirement benefit shall be reduced on an actuarially equivalent basis to provide for the increase in the survivor annuity amount. The survivor annuity, if applicable, shall only be payable to the spouse to whom the participant is married on the benefit starting date. Actuarial equivalency shall be determined based on the assumptions applicable to determining comparable annuity benefits under the PCC Retirement Plan (defined in 2.2-4(b)). Before a participant's death, a spouse has no enforceable right under this provision.

2.1-4 The benefit for a partial year at the end of a participant's period of service shall be prorated based on the number of months in which the participant performs services during the year.

2.1-5 For a participant with less than 20 Years of Benefit Service at normal retirement, the 60 percent factor in 2.1-1 shall be reduced by $1/20^{\text{th}}$ for each year less than 20. The benefit for each Year of Benefit Service over 20 shall be one-half of one percent (.5 percent) of Final Average Pay, minus any portion of the Retirement Plan Benefit and Primary Social Security Benefit that exceeds the basic benefit under 2.1-1 for the first 20 Years of Benefit Service. The basic supplemental benefit can be expressed as follows:

(a) Sixty percent (60%) of Final Average Pay times (Years of Benefit Service up to 20, divided by 20)

PLUS

(b) One-half of one percent (.5%) of Final Average Pay times (Years of Benefit Service over 20)

MINUS

(c) (Retirement Plan Benefit plus Primary Social Security Benefit).

2.2 Definitions

2.2-1 "Final Average Pay" means the participant's average monthly compensation in the highest three calendar years of compensation out of five consecutive calendar years of employment during a period of eligibility service by the Company or an Affiliate. Years separated by a period of one or more calendar years when the participant has no

such eligible employment shall be treated as consecutive. Additional compensation paid at retirement or other Separation from Service, such as for periods of unused vacation or sick leave, shall be attributed to calendar years by assuming that employment continued during the period based on which the compensation is measured. Severance pay shall be disregarded, except severance pay in lieu of service.

2.2-2 “Compensation” shall be determined as follows:

(a) Total direct pay reportable on Form W-2 under Code section 3401(a), disregarding limitations based on the nature or location of employment, shall be counted, subject to the following provisions:

(1) Bonuses shall be included in full.

(2) Commissions and cost-of-living allowances shall be excluded.

(3) Any reimbursements or other expense allowances, fringe benefits, moving expenses, severance or disability pay and other deferred compensation (other than as specified in (b)), and welfare benefits shall be excluded.

(4) Gains realized from the exercise of nonqualified stock options shall be excluded.

(b) Total direct pay shall be determined without reduction by elective deferral of otherwise currently taxable compensation under any qualified cash or deferred arrangement under Code section 401(k), any elective welfare benefit arrangement under Code section 125 or a nonqualified deferred compensation plan.

(c) During periods of ongoing Plan-covered employment (or imputed Years of Benefit Service during disability, under 2.2-7 and 2.2-8) with reduced compensation because of such causes as illness, disability or leave of absence, compensation shall be imputed at the last regular rate before the start of the period. In determining “regular rate” for a period of absence that spans a bonus period so that the Executive does not receive a bonus that the Executive would have received if the Executive had not been absent, the average of the Executive’s bonuses in the three years immediately before the absence started shall be used to include bonuses in the imputed pay period.

2.2-3 “Primary Social Security Benefit” means the primary insurance amount estimated for the participant on retirement at or after age 65 under the federal Social Security Act, determined as follows:

(a) The amount may be estimated from the regular pay rate under rules established by the Administrator assuming a standard pay progression over a full working career.

(b) The amount shall not be changed by amendments to the Social Security Act or cost-of-living index adjustments after the participant's actual Separation from Service date or age 65, whichever is first.

(c) If a participant retires before age 65, the Primary Social Security Benefit shall be the amount that would be received at age 65 assuming level earnings at the participant's final rate of pay and no change in the Social Security Act.

2.2-4 "Retirement Plan Benefit" means the sum of all amounts payable as an age 65 retirement benefit (as applicable) for the participant under all defined benefit and defined contribution retirement plans maintained by the Company or by an Affiliate, determined in accordance with the following provisions:

(a) Subject to (c), the monthly benefit for the participant under any defined benefit pension plan from service counted for benefits under this Plan and any service following removal from participation, and disregarding any benefit derived from rollovers to such plan derived from a source other than employer contributions relating to the period of service counted for benefits under this Plan. The benefit shall be expressed as a retirement benefit at age 65 in the form determined under 2.2-5 using the actuarial equivalency factors applicable under that plan.

(b) Subject to (c), the monthly benefit for the participant under a defined contribution retirement plan relating to service counted for benefits under this Plan and any service following removal from participation. The amount of the benefit shall be based on contributions to the participant's account, carried forward at an interest rate of 8 percent to age 65 or later retirement date, disregarding any amounts derived from employee after-tax or pre-tax contributions or rollovers into the plan by the participant of amounts derived from contributions other than employer contributions for a period of service counted under this Plan. The value of contributions and imputed interest shall be converted to an actuarially equivalent retirement benefit starting at age 65 in the form determined under 2.2-5 using the actuarial equivalency factors applicable to the Precision Castparts Corp. Retirement Plan (the "PCC Retirement Plan"). If the defined contribution plan is a plan under which employer contributions are made to match, wholly or partly, employee after-tax or pre-tax contributions under the plan, then the offset for the defined contribution plan shall be calculated assuming the employee's account has been credited, for the period of service covered by this Plan, with the maximum

matching contributions the employee could have had credited by making employee contributions (without regard to any operational limitations imposed by discrimination testing), carried forward at an interest rate of 8 percent.

(c) For purposes of (a) and (b), the Prior Profit Sharing Plan benefit under the PCC Retirement Plan, if applicable, shall be treated as a defined contribution retirement plan benefit, and the rest of the benefit under the PCC Retirement Plan shall be treated as a defined benefit pension plan benefit. The same treatment shall apply to defined contribution-type features qualified under Code section 414(k) with respect to any other relevant defined benefit pension plans.

2.2-5 In determining the Retirement Plan Benefit under 2.2-4, the monthly benefit shall be calculated based on the following form of benefit:

(a) For a participant who is married when benefit payments start under this Plan, in a contingent annuity with half payments continued to the spouse.

(b) For a participant who is unmarried when benefit payments start under this Plan, in a straight life annuity.

2.2-6 Transfer of employment from one Company or Affiliate employer to another Company or Affiliate employer is not retirement.

2.2-7 Subject to 1.2, “Year of Benefit Service” means a period of 12 months based on the anniversary of the date the employee first performs an hour of service as an employee of the Company or an Affiliate. No service for a business before the date it becomes an Affiliate shall be counted as Benefit Service except as provided in 1.2-3. Except for periods of disability as described below, periods of employment other than as a regular full-time employee eligible for active participation in this Plan under 1.1-1 shall be disregarded and service credit shall be reduced accordingly. If a person becomes totally and permanently disabled while in Plan-covered employment for benefit accrual purposes, and has at least 10 Years of Eligibility Service at the outset of qualifying disability, the participant will continue to accrue Years of Benefit Service during disability up to the date the participant reaches age 65 or retires and starts benefits if earlier.

2.2-8 “Disability” means a condition that makes a person eligible for disability income benefits under Social Security for total, permanent disability.

2.2-9 “Years of Eligibility Service” means Years of Benefit Service as defined in 2.2-7 plus Years of Service (as defined in the PCC Retirement Plan), if any, approved by the Committee performed for a business before the date it became an Affiliate or performed for the Company or an Affiliate after the person has been removed from participation as provided

in 1.2-1 and related provisions.

2.3 Retirement Benefit Starting Before Normal Retirement Date

2.3-1 An early retirement supplemental benefit shall be payable for a participant who has a Separation from Service before normal retirement but after qualifying for early retirement. The benefit shall be the normal retirement basic supplemental benefit, as adjusted under 2.1-4 and 2.1-5 if applicable, and reduced as described in 2.3-2. The benefit starting date is addressed in 3.1 and related provisions and the form of payment is addressed in 3.3 and related provisions. "Early Retirement Date" means a date that is before the participant's Normal Retirement Date and on or after the later of the date the participant has earned at least 10 Years of Eligibility Service and the total of the participant's Years of Eligibility Service when combined with the participant's age equals at least 70. Only whole years of age and Years of Eligibility Service are counted in determining when the total reaches 70. Fractional years of age cannot be combined with fractional Years of Eligibility Service to reach 70.

2.3-2 The reduction referred to in 2.3-1 is 3 percent for each year by which the Early Retirement Date precedes age 65. The reduction for partial years shall be prorated monthly. The early retirement reduction shall be applied after calculating the participant's benefit as for normal retirement, based on service and compensation to actual retirement.

2.3-3 The benefit provided for in 2.3-1, with the reduction provided for in 2.3-2, can be expressed as the product of (a) multiplied by (b), with (a) and (b) as follows:

(a) The amount that is

(1) Sixty percent (60%) of Final Average Pay times (Years of Benefit Service up to 20, divided by 20)

PLUS

(2) One-half of one percent (.5%) of Final Average Pay times (Years of Benefit Service over 20)

MINUS

(3) (Retirement Plan Benefit plus Primary Social Security Benefit).

TIMES

(b) The fraction that is

(1-.03 (65 minus age at actual retirement)).

2.3-4 Except as provided under Section 6.2 or Section 4, no benefit shall be paid with respect to a participant who has a Separation from Service before the participant's first available Early Retirement Date. A participant's benefit becomes vested when the requirements of this provision are met, and is unvested before that date.

2.4 Retirement After Normal Retirement Date. If a participant's employment with the Company or an Affiliate continues past the participant's Normal Retirement Date, Years of Benefit Service shall continue to accrue and Final Average Pay shall be calculated including reference to Compensation up to the participant's actual retirement date. The benefit shall be based on the regular formula for retirement under 2.1 and related provisions, and no actuarial adjustment shall be made for starting benefits after Normal Retirement Date.

2.5 Timing of Accrual; When Accrued Benefits Are Forfeited

2.5-1 Benefits become accrued for a participant only after the participant qualifies for a normal retirement benefit under 2.1-1 or for an early retirement benefit under 2.3-1 or for an accelerated vested benefit under 6.2, and not before. No benefit (regardless of whether accrued) shall be payable to any participant whose employment is terminated for Misconduct During Employment. No benefit (regardless of whether accrued or whether benefit payments have begun) shall be payable to any participant who, after Separation from Service, engages in Detrimental Conduct, as determined by the Committee in accordance with 2.5-3. A participant who engages in Detrimental Conduct within three years after Separation from Service or within three years after the date of receiving a lump-sum payment if later must repay to the Company any already-received benefit as provided in 3.3-6(f).

2.5-2 "Misconduct During Employment" means:

- (a) Committing a fraudulent or otherwise dishonest act related to employment;
- (b) Making an unauthorized disclosure of confidential, proprietary and/or trade secret information related to the Company or any Affiliate if the information was obtained during employment; or
- (c) Engaging in Detrimental Conduct while employed.

2.5-3 "Detrimental Conduct" means doing any of the following during employment or within three years after a Separation from Service:

- (a) Using or making an unauthorized disclosure of confidential, proprietary and/or trade secret information related to the Company or any Affiliate; or

(b) Directly or indirectly, engaging anywhere in the world as an employee, officer, director, manager, owner, independent contractor, consultant, partner, proprietor, stockholder, joint venturer, member or principal, or in any other similar capacity whatsoever, in any business in the same or similar industry(ies) as the Company, or any Affiliate, including but not limited to those businesses involved in the manufacture or sale of investment castings, metal forgings, fasteners, aerostructures, or any other similar business conducted by the Company or any Affiliate at any time during the participant's period of employment. The foregoing sentence shall not prohibit a participant from holding in the aggregate up to five percent (5%) of any securities of a company that is quoted on a recognized stock exchange or automated quotation system.

2.5-4 No forfeiture or absence of a forfeiture shall constitute a waiver of or bar any other remedy that may be available to the Company or an Affiliate under applicable law on account of Misconduct During Employment or Detrimental Conduct.

3. Payment of Benefits

3.1 Start of Benefits. Except as provided in 3.3-2, 3.4-2(c) and 6.2, benefits shall start as of the first day of the month after Separation from Service under 3.2-1. This Plan does not provide for any election to delay the start of benefits beyond the otherwise applicable benefit starting date, except under 3.4-2(c). In the case of a spouse's death benefit under 4.1 through 4.3, benefits shall start with the month that begins after the participant's death. Benefit payments shall be made by the end of the month to which they apply in accordance with the Company's regular payroll processing schedule.

3.2 Separation from Service

3.2-1 "Separation from Service" shall occur upon termination of all the Executive's employment with the controlled group of corporations or commonly controlled trades or businesses, as defined in Code section 414(b) and (c), of which the Company is a member. The Executive shall not be regarded as having a Separation from Service if:

(a) The Executive is on leave from the employer for up to six months or for longer with reemployment rights protected by statute or contract; or

(b) The Executive will continue performing services for the employer and the Executive and the Company reasonably anticipate that the level of such continuing services, whether as an employee or an independent contractor, will be at a rate of 20 percent or more of the average level during the immediately preceding 36-month period.

3.2-2 If the Executive is a Specified Employee and the Company has publicly traded stock, the Executive's benefit shall not be paid to the Executive upon a Separation from Service until six months following the separation date. All amounts due during such six months shall be paid as soon as practicable after the six months have expired. "Specified Employee" means a "key employee" as defined in Code section 416(i), determined without regard to Code section 416(i)(5). The definition of key employee shall be applied by identifying the highest paid 50 employees of the Company and Affiliates that are in a controlled group relationship under Code section 414(b) or (c) during the preceding calendar year.

3.3 Form of Benefit

3.3-1 For a participant who is unmarried at the benefit starting date, the normal form for payment of benefits shall be a monthly annuity for the life of the participant, unless the participant elects a lump sum in his or her Statement of Participation. For a participant who is married at the benefit starting date, the normal form of benefit shall include a survivor annuity for the participant's spouse as provided in 2.1-3.

3.3-2 A married participant may elect under 3.3-4 to receive a reduced monthly benefit for life in order to have payments continued to the participant's surviving spouse in full (rather than at one-half as provided in 2.1-3).

3.3-3 The reduction under 3.3-2 in the participant's monthly benefit shall be the actuarial equivalent of the increase selected for the spouse's survivor benefit. Actuarial equivalency shall be determined with reference to the otherwise payable normal benefit and shall be based on the assumptions applicable to determining comparable benefits under the PCC Retirement Plan.

3.3-4 Subject to 3.4, a benefit election under 3.3-2 may be made upon enrollment in this Plan or within 30 days following the marriage of a participant that occurs before the participant's benefit starting date under 3.1 or at any other time that is more than 12 months before the participant's benefit starting date under 3.1. The election shall be by written notice mailed or delivered to the Administrator. An election under 3.3-2 shall no longer be effective if the participant and spouse do not stay married throughout the period from the election date to the benefit starting date or if the participant makes a Subsequent Lump-Sum Election under 3.4.

3.3-5 A participant may elect to receive benefits in the form of an actuarially equivalent lump sum, as follows:

- (a) Selecting "lump sum" as the form of benefits designated in the participant's Statement of Participation; or
- (b) Making a qualifying Subsequent Lump-Sum Election under 3.4.

3.3-6 If a lump-sum payment election under 3.3-5 or 3.4-1 applies to a participant's benefit, the following shall apply:

(a) Subject to (b), the amount of the lump-sum payment shall be based on the basic supplemental benefit on retirement under 2.1 or 2.3 as applicable, using Final Average Pay and Years of Benefit Service and other pertinent benefit formula factors as of the benefit starting date under 3.1. For a benefit starting date before the participant's Normal Retirement Date, the 3 percent adjustment factor in 2.3 shall apply to the extent provided in 2.3-2. The resulting monthly retirement benefit shall then be converted to an actuarially equivalent present value using the interest rate and mortality table assumptions specified in 6.2.

(b) For a participant who is married on the benefit starting date, the amount of the lump-sum payment shall include the Company-paid survivor annuity at 50 percent under 2.1-3. If a participant is unmarried on the benefit starting date, in determining the lump-sum payment no value will be attributed to the Company-paid survivor annuity under 2.1-3 even if the participant had been married for some of the time while the lump-sum election is in effect.

(c) A lump-sum payment shall constitute complete satisfaction of the benefit obligation under this Plan to the participant, and this Plan's postretirement death benefit provisions shall not apply. However, the payback obligation under (f) shall remain in effect.

(d) If a participant dies before starting to receive benefits with a lump-sum payment election in effect and a surviving spouse qualifies for preretirement death benefits under 4.3, the surviving spouse benefit shall be the actuarially equivalent value of the remaining portion of the benefit calculated under 4.3(b), payable in a lump sum. If the participant is unmarried on the date of death, there is no preretirement death benefit and 4.3 shall not apply. The actuarial equivalency shall be determined in a manner consistent with (a).

(e) A lump-sum election shall apply to the participant's entire benefit, regardless of whether the service to which the participant's benefit relates is performed before or after the election is made. Partial lump-sum payment elections shall not be allowed.

(f) A participant's election to receive a lump-sum payment shall constitute an irrevocable agreement by the participant to return the amount received if the electing participant engages in Detrimental Conduct under 2.5-3 within three years after termination of employment or within three years after receipt of the lump-sum distribution if later. The amount to be returned shall be

the full amount distributed plus interest at 7 percent per annum minus the monthly amounts that would have been paid to the participant in the normal benefit form up to the date the Detrimental Conduct began.

3.4 Subsequent Lump-Sum Election

3.4-1 After enrollment, a participant may elect once to change the form of payment of benefits to or from a lump-sum payment by filing a Subsequent Lump-Sum Election, subject to 3.4-2.

3.4-2 The following requirements apply to Subsequent Lump-Sum Elections under 3.4-1:

(a) The Subsequent Lump-Sum Election must be in writing on a form prescribed by the Administrator, and must be consistent with one of the forms of benefit provided in 3.3.

(b) The Subsequent Lump-Sum Election must be delivered to the Administrator not less than 12 months before the participant's benefit starting date under 3.1 (as determined without regard to a five-year delay under (c)).

(c) The benefit starting date for the participant will be delayed five years from the date the benefit would have been paid if the change had not been made. During the five year delay, there will not be any pre-retirement death benefit payable. The early retirement reduction under 2.3-3 will be applied as of the delayed starting date. Any delay beyond age 65 will be actuarially adjusted to reflect the delay using actuarial assumptions applicable to determining comparable benefits under the PCC Retirement Plan.

4. Death Benefits for Spouse

4.1 Subject to 3.4, if a participant dies after starting to receive benefits or dies after retiring under 2.1, 2.3 or 2.4 but before starting benefits under 3.1, a death benefit shall be paid only as elected by the participant under 1.3, 1.4 and 3.3, as applicable, or as provided under the automatic spouse's survivor benefit form under 2.1-3 if applicable. A spouse's post-retirement death benefit shall only be paid to the spouse to whom the participant was married on the participant's benefit starting date, even if the participant is married to another spouse on the date of death.

4.2 Except as provided in 4.3, if a participant dies before starting to receive benefits or qualifying under 4.1, no death benefit shall be paid. The surviving spouse benefits under 4.3 shall only be payable if the participant and spouse are legally married on the date of death.

4.3 Subject to 1.2-2(e), 3.3-6(d) and 4.2, the surviving spouse of a participant who dies while employed in employment qualifying the participant to earn additional Years of Benefit Service and after the participant has earned at least 10 Years of Eligibility Service, or whose death while so employed is directly related to the participant's employment, shall receive a death benefit as follows:

(a) The benefit shall be a monthly payment for the surviving spouse's life, starting on the first day of the month after the participant's death.

(b) Subject to (c), the amount of the spouse's monthly benefit shall be the amount determined under the 50 percent contingent annuity form described in 2.1-3. In determining the amount of the benefit, the participant's actual Years of Benefit Service, Final Average Pay and relevant offsets shall be used. On death of a participant before age 65, the reduction under 2.3 shall apply. On death of a participant before early retirement age, the benefit reduction will be calculated with reference to the participant's earliest available retirement age (determined by imputing advancing age and service after death).

(c) If a participant election under 3.3-2 to have payments continued to the surviving spouse in full is in effect, then the amount under (b) shall be determined using that benefit form.

5. No Advance Funding

Benefits shall be paid from the general assets of the Company. The Company may, but shall not be required to, set aside funds in advance for payment of benefits under this Plan. Even if funds are set aside, that shall not cause this to be a funded employee benefit plan. Participants' rights under this Plan shall be only as general creditors of the Company.

6. Amendment and Termination

6.1 Regular Procedure. Subject to 6.3, the Board of Directors of the Company may amend or terminate this Plan on the first day of any month by notice to the participants subject to the restrictions in Code section 409A but may not revoke any participant's benefit that has a value, determined in accordance with 6.2, as of the revocation date. No value shall be attributed to any spousal survivor benefit for a participant who has not already retired and commenced benefits or to the cash-out payment option for any participant regardless of retirement status. Absent acceleration of vesting under 6.2, the value of an unvested benefit is zero. No benefit accrues for a participant before the participant meets the age and service requirements for vesting under 2.3-4.

6.2 Change in Control. If there is a Change in Control, there will be a total Plan termination effective on the date of the Change in Control and all participants will be fully vested immediately. A change in ownership of an Affiliate of the Company that does not occur

as part of a Change in Control under Section 10 will not trigger this 6.2. Vested accrued benefits will be immediately paid as an accelerated vested benefit. The benefit shall be a lump-sum payment as of the first day of the month after the Change in Control. The amount shall be the actuarially determined present value of the participant's basic supplemental benefit on retirement, including Final Average Pay and Years of Benefit Service as of the date of the Change in Control, using the following mortality and interest rate assumptions:

(a) The mortality table shall be the RP2000 Healthy Annuitant mortality tables (100 percent male for retirees and 100 percent female for spouses) projected to 2010 by scale AA.

(b) The interest rate for each year shall be determined by using the 24-month average of the Moody's Long-Term Corporate Bond Yield composite index, ending with the November of the preceding year, less 110 basis points. Each year's interest rate shall remain in effect for distributions that occur at any time during the year.

No cash-out value shall be attributed to any spousal survivor benefit for a participant. If a participant qualifies for payment of a benefit under this provision, but dies before payment of the benefit, the benefit shall be paid to the participant's surviving spouse if the participant is married on the date of death, or to the participant's estate if the participant is not married on the date of death.

6.3 Technical, Editorial or Operational Changes. The chief executive officer of the Company may amend this Plan to make technical, editorial or operational changes on advice of counsel to comply with applicable law or to simplify or clarify this Plan. The Committee is also authorized to adopt changes under this provision, and shall be the only authorized party to adopt such a change if it affects the benefit of the chief executive officer without having the same effect on substantially all other similarly situated participants. The chief executive officer and the Committee may each delegate amendment authority under this provision to one or more executive officers of the Company, except that no officer to whom authority is delegated may adopt a change if it affects the benefit of that officer without having the same effect on substantially all other similarly situated participants. For example, if applicable tax laws, regulations, revenue rulings or revenue procedures would require a participant to report taxable income due to a benefit under this Plan before the benefit is payable to the participant, this Plan may be amended under this provision to prevent such premature taxation. The Company, the Committee, the chief executive officer and their employees, officers, agents and others acting on their behalf shall not have any liability to any Plan participant or beneficiary with respect to such premature taxation, regardless of whether or not an amendment has been made under this provision.

6.4 Notwithstanding any restriction in this Plan, the Company may amend this Plan from time to time to comply with Code section 409A or with other legal requirements that would cause material adverse consequences to participants if violated.

7. Not Contract of Employment

This Plan shall not be a contract of employment between the Company or an Affiliate and any participant. No participant may object to termination of this Plan under Section 6. This Plan shall not prevent the Company or an Affiliate from discharging any participant from employment at any time.

8. Claims Procedure

8.1 Filing Procedure. Any person claiming a benefit, requesting an interpretation or ruling under this Plan, or requesting information under this Plan shall present the request to the Administrator, who shall respond in writing as soon as practicable. Oral claims must be confirmed in writing by the claimant within a reasonable time. If no written confirmation is received within two weeks of an oral claim, the Administrator may state the claim in writing communicated to the claimant and then proceed on that basis.

8.2 Notice of Denial. If the claim or request is denied, the written notice of denial shall state:

- (a) The reasons for the denial, with specific reference to Plan provisions on which the denial is based;
- (b) A description of any additional material or information required and an explanation of why it is necessary; and
- (c) An explanation of this Plan's claim review procedure.

8.3 Review Procedure. Any person whose claim or request is denied or who has not received a response within 30 days may request review by notice in writing to the Administrator, who shall inform the Committee. The original decision shall be reviewed by the Committee, which may, but shall not be required to, grant the claimant a hearing. On review, whether or not there is a hearing, the claimant may have representation, examine pertinent documents and submit issues and comments in writing.

8.4 Decision on Review. The decision on review shall ordinarily be made within 60 days. If an extension of time is required for a hearing or other special circumstance, the claimant shall be so notified and the time shall be 120 days. The decision shall be expressed in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

9. General Provisions

9.1 If suit or action is instituted to enforce any rights under this Plan, the prevailing party may recover from the other party reasonable attorneys' fees at trial and on any

appeal.

9.2 Any notice under this Plan shall be in writing and shall be effective when actually delivered or, if mailed, when deposited as registered or certified mail directed to the Company at the address stated in the Statement of Participation or to such other address as either party may specify by notice to the other party. Unless otherwise designated, notices to the Committee or the Administrator shall be sent to the address specified for the Company.

9.3 The rights of a participant under this Plan are personal. Except for amounts owing to or claimed by the Company or an Affiliate and except for the limited provisions of 3.3, no interest of a participant or spouse or representative of a participant may be directly or indirectly transferred, encumbered, seized by legal process or in any other way subjected to the claims of any creditor.

9.4 Following termination of employment, a participant shall not be an employee of the Company or an Affiliate for any purpose and payments under Section 3 shall not constitute salary or wages. A participant shall receive such payments as retirement benefits, not as compensation for performance of any substantial services.

9.5 Except as provided in 9.3, this Plan shall be binding upon and inure to the benefit of the parties, their successors and assigns. If the Company or an Affiliate merges, consolidates or otherwise reorganizes, or its assets or business are acquired by another company, this Plan shall be binding upon the successor company and shall apply to any employment of participants by the successor company.

9.6 This Plan shall be construed according to the laws of Oregon except as preempted by federal law.

9.7 The Company may withhold from payments to a participant or surviving spouse any income tax or other amounts as required by law.

9.8 The Committee shall interpret the Plan, shall have final authority to decide any questions about the rights of participants and their beneficiaries, and in general shall arrange for administration of the Plan by the Administrator. Any decision by the Committee shall be final and bind all parties. The Committee shall have absolute discretion to carry out its responsibilities. The Committee may delegate its authority under this provision, except that no officer to whom authority is delegated may interpret the Plan if it affects the benefit of that officer without having the same effect on substantially all other similarly situated participants.

9.9 If any term or provision of this Plan shall be found by a court of competent jurisdiction to be invalid, or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Plan, and such term or provision shall be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to

the fullest permissible extent the intent and agreements of the parties herein set forth.

10. Definition of Change in Control

For purposes of determining whether a Change in Control has occurred, the following definitions shall apply:

10.1 “Change in Control” means a change in ownership of the Company under Section 10.2, a change in effective control of the Company under 10.3 or a change in the ownership of a substantial portion of the Company’s assets under 10.4.

10.2 A change in ownership occurs on the date that any one person or more than one person acting as a group acquires ownership of stock of the Company that, together with stock already held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the Company’s stock.

10.2-1 A change in ownership will not be deemed to occur if, before the person or group acquires additional Company stock, the person or group acquiring Company stock owned, or is treated as owning, more than 50 percent of the total fair market value or total voting power of Company stock.

10.2-2 An increase in the ownership percentage of the person or group as a result of a transaction in which the Company redeems its stock for cash or other property will be treated as an acquisition by the person or group.

10.2-3 Ownership of stock will be determined by applying the rules in Code section 318(a) and by treating stock underlying a vested option as owned by the individual who holds the vested option, unless the stock to which the option applies is not substantially vested as defined in Treasury Regulation section 1.83-3(b) and (j).

10.2-4 Persons will be considered as acting as a group to acquire or hold Company stock or effective control of the Company to the extent provided by applicable regulations or other written guidance published by the Internal Revenue Service.

10.3 A change in effective control of the Company shall occur, regardless whether a change in ownership occurs under 10.2, on the date that an event described in 10.3-1 or 10.3-2 occurs, subject to 10.3-3.

10.3-1 A change in effective control occurs on the date that any one person or more than one person acting as a group acquires (or has acquired during the 12-month period that ends on the date of the most recent acquisition by such person or group) ownership of Company stock possessing more than 35 percent of the total voting power of the Company’s stock.

10.3-2 A change in effective control also occurs on the date that a majority of the Company's Board of Directors is replaced during any 12-month period by directors whose election is not endorsed by a majority of the Company's Board members prior to the date of election or appointment.

10.3-3 A change in effective control will not result from the acquisition of additional control of the Company by any person or group that, immediately before such acquisition, owned more than 35 percent of the total voting power of the Company's stock.

10.4 A change in ownership of a substantial portion of the Company's assets occurs on the date that any person or more than one person acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) Company assets with a total gross fair market value equal to 40 percent or more of the total gross fair market value of all of the Company's assets immediately prior to the acquisition (or series of acquisitions).

10.4-1 Gross fair market value for this purpose means the value of the Company's assets or the value of the assets being disposed of, without regard to any liabilities associated with such assets.

10.4-2 No Change in Control occurs solely because the Company transfers assets to an entity controlled by the Company's shareholders immediately after the transfer.

10.4-3 No change in ownership of the Company's assets is deemed to occur solely by reason of a transfer of the Company's assets to any of the following:

(a) A shareholder of the Company (immediately before the asset transfer) in exchange for the Company's stock;

(b) An entity, half or more of whose total value or voting power is owned by the Company (directly or indirectly);

(c) A person or group that owns (directly or indirectly) 50 percent or more of the value or voting power of all of the Company's outstanding shares; or,

(d) An entity, half or more of whose total value or voting power is owned (directly or indirectly) by a person who owns 50 percent or more of the value or voting power of the Company's outstanding shares.

11. Effective Date

This 2005 Restatement shall be effective January 1, 2005. Procedures for changes

from provisions of the SERP - Level One Plan shall be implemented according to a schedule established by the Administrator.

COMPANY PRECISION CASTPARTS CORP.

By: /s/ W.D. Larsson

Name: William D. Larsson

Title: Senior Vice President and
Chief Financial Officer

Date signed: 12/18, 2006

AMENDMENT NO. 1 EXECUTED AS FOLLOWS, EFFECTIVE JANUARY 1, 2008:

PRECISION CASTPARTS CORP.

By: W. D. LARSSON

Name of signer: W. D. LARSSON

Date signed: August 31, 2007

AMENDMENT NO. 2 EXECUTED AS FOLLOWS, EFFECTIVE FEBRUARY 15, 2012:

COMPANY PRECISION CASTPARTS CORP.

By: ROGER A. COOKE

Print Name: ROGER A. COOKE

Title: SVP & General Counsel

CONFORMED COPY

PRECISION CASTPARTS CORP.

**SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM -
LEVEL TWO PLAN—ONGOING**

January 1, 2005

(As Amended Through Amendment No. 2)

**Precision Castparts Corp.,
an Oregon corporation
4650 SW Macadam Avenue, Suite 440
Portland, OR 97239**

Company

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PRECISION CASTPARTS CORP.

**SUPPLEMENTAL EXECUTIVE RETIREMENT PROGRAM -
LEVEL TWO PLAN—ONGOING**

January 1, 2005

(As Amended Through Amendment No. 2)

**Precision Castparts Corp.,
an Oregon corporation
4650 SW Macadam Avenue, Suite 440
Portland, OR 97239 Company**

Precision Castparts Corp., an Oregon corporation (the “Company”), adopted the Supplemental Executive Retirement Program (the “Program”) effective February 1, 1989 to provide supplemental retirement benefits for a select group of management or highly compensated employees (“Executives”) as an incentive for them to develop careers with the Company and to perform with a degree of excellence that will promote the best interests of the Company. The Program, which is a supplement to the Executives’ base compensation emoluments, equity compensation and other retirement benefits, is intended to provide additional and supplemental retirement benefits, above and beyond other Company-provided retirement plans, as a reward to those Executives who retire from the Company after substantially contributing to its success for many years. The Company does not intend the Program to provide benefits to Executives who, after retiring from the Company, continue in or resume active employment or otherwise engage in any business in the same or similar industry(ies) as the Company or any Affiliate. The Program has had two components: the “SERP - Level One Plan” and the “SERP - Level Two Plan.”

The Company has restated the SERP - Level One Plan and the SERP - Level Two Plan to provide for all then covered participants’ December 31, 2004 vested accrued benefits and to provide for ongoing accruals (if applicable) without changing plan terms except as required by changes in applicable law for such then covered participants continuing in covered employment after that date.

This SERP – Level Two Plan (the “Plan”) is adopted in connection with the changes described above in order to provide for accruals for qualifying Executives in Plan-covered employment under the SERP - Level Two Plan on December 31, 2004 who were not vested under that plan on that date and have ongoing employment after that date and for other designated Executives, and to conform with changes in applicable law (including requirements of Internal Revenue Code (“Code”) section 409A (“409A”) and related guidance).

1. Eligibility and Participation

1.1 Eligible Employees. Participation shall be limited to a select group of designated Executives of the Company and of its U.S. Affiliates. “Affiliate” means a corporation or other business that is more than 50 percent owned by the Company.

1.2 Selection of Participants

1.2-1 Initially, participants in this Plan shall be those Executives who were in covered employment on December 31, 2004 under the SERP - Level Two Plan but did not have vested benefits under that plan on that date and those Executives who have been designated for participation after that date. Other Executives may be designated for participation in this Plan by the Compensation Committee (the “Committee”) of the Board of Directors of the Company. The chief executive officer of the Company may recommend additional participants for approval by the Committee. An Executive may be selected for participation at any time. The Committee may also remove a participant from this Plan on a prospective basis, with or without cause. The Committee-appointed administrator for this Plan (the “Administrator”) shall notify the participant in writing within 30 days after Committee action establishing the removal. The effective date of removal shall be the date of adoption of the Committee action.

1.2-2 Subject to 1.4, following any removal under 1.2-1, the following shall apply:

- (a) The removal, in itself, shall not cause an immediate forfeiture of benefits.
- (b) No further Years of Benefit Service shall be counted following the date of removal.
- (c) The amount described in 2.1-4(a) shall not change after removal, but the amounts described in 2.1-6(c) may change due to further accruals or other increases in the Retirement Plan Benefit and Primary Social Security Benefit.
- (d) A removed participant who continues to be employed by the Company or an Affiliate shall not earn additional credit for Years of Eligibility Service needed to qualify for retirement under Section 2 unless additional credit is authorized by the Committee.
- (e) The preretirement spousal death benefit, if applicable under 4.3, shall end 30 days after notice of removal is given under 1.2-1.
- (f) If the participant is married at removal, any election under 3.3-2 to provide a spousal contingent annuity at 50 percent or 100 percent

shall continue to apply. If the participant is unmarried at removal but becomes married prior to the benefit start date, the participant may make an election under 3.3-2 within 30 days after marriage.

1.2-3 Credit for Preacquisition Service and Pay. “Acquisition” means an asset or stock purchase by the Company or an Affiliate of an unaffiliated business. Preacquisition service, pay, or both may be credited under this Plan as follows:

- (a) Credit may be granted by the Committee in the process of enrollment of Executives.
- (b) After enrollment, credit may be granted by the Company’s chief executive officer, except that credit for the chief executive officer may be granted only by the Committee.
- (c) The terms on which credit is granted shall be stated in writing and communicated to the affected Executive.

1.3 Enrollment. Enrollment shall be as follows:

- (a) Upon initial eligibility, each participant shall be notified of the terms of this Plan and given a “Statement of Participation” signed by the Company.
- (b) The Executive shall enroll for participation by completing the Statement of Participation, including all relevant benefit elections as to the form of payment, signing it and returning it to the Administrator.
- (c) Except as provided in 1.4(b), an Executive may only file one Statement of Participation.
- (d) The Statement of Participation shall be provided to the Executive with information about benefits as soon as reasonably practicable after the Committee authorizes the Administrator to enroll the Executive for participation. The Executive is not eligible to become a participant until the Executive has received the Statement of Participation, and the Executive shall not become a Participant until the Executive returns a completed, signed Statement of Participation to the Administrator.
- (e) The completed, signed Statement of Participation must be returned by the Executive to the Administrator as soon as reasonably practicable after the date the Executive receives the Statement of Participation from the Administrator. The lump sum benefit payment method under 3.3 may only be selected in a Statement of Participation if the signed Statement of Participation

is returned by the Executive to the Administrator within 30 days after receipt from the Administrator.

1.4 Election. The Statement of Participation must specify the participant's election as to the form of payment from the forms of benefit available under 3.3. Such election will be irrevocable except as follows:

(a) A Subsequent Lump Sum Election may be filed as provided in 3.4.

(b) One replacement Statement of Participation may be filed by an Executive not later than December 31, 2007 (or such other time as may be permitted under Internal Revenue Service transition relief relating to Code section 409A), but the replacement Statement of Participation may not cause any amounts to become payable in the calendar year during which the replacement Statement of Participation is filed or change the time or form of payment of any amounts otherwise payable in the calendar year during which the replacement Statement of Participation is filed.

2. Supplemental Benefits

2.1 Benefit on Retirement at or After Normal Retirement Date

2.1-1 Subject to 2.1-2 and 2.1-3, the basic supplemental benefit on normal retirement with 25 Years of Benefit Service at or after Normal Retirement Date shall be a monthly pension for life equal to 55 percent of Final Average Pay, minus the participant's Retirement Plan Benefit and the participant's Primary Social Security Benefit. The percentage adjustment on normal retirement with more than or less than 25 Years of Benefit Service is provided in 2.1-4. The benefit starting date is addressed in 3.1 and related provisions and the form of payment is addressed in 3.3 and related provisions. "Normal Retirement Date" means the date the participant both has at least 10 Years of Eligibility Service and is at least age 65.

2.1-2 Unless the participant elects a lump sum on enrollment, or pursuant to a valid Subsequent Lump Sum Election or a valid replacement Statement of Participation, the participant's benefit will be paid in the form of an annuity as provided in 3.3.

2.1-3 The benefit for a partial year at the end of a participant's period of service shall be prorated based on the number of months in which the participant performs services during the year.

2.1-4 For a participant with less than 25 Years of Benefit Service at normal retirement, the 55 percent factor in 2.1-1 shall be reduced by 1/25th for each year less than 25. The benefit for each Year of Benefit Service over 25 shall be one-half of one percent (.5 percent) of Final Average Pay, minus any portion of the Retirement Plan Benefit and Primary Social Security Benefit that exceeds the basic benefit under 2.1-1 for the first 25 Years of Benefit Service. The basic supplemental benefit can be expressed as follows:

(a) Fifty-five percent (55%) of Final Average Pay times (Years of Benefit Service up to 25, divided by 25)

PLUS

(b) One-half of one percent (.5%) of Final Average Pay times (Years of Benefit Service over 25)

MINUS

(c) (Retirement Plan Benefit plus Primary Social Security Benefit).

2.2 Definitions

2.2-1 “Final Average Pay” means the participant’s average monthly compensation in the highest three calendar years of compensation out of five consecutive calendar years of employment during a period of eligibility service by the Company or an Affiliate. Years separated by a period of one or more calendar years when the participant has no such eligible employment shall be treated as consecutive. Additional compensation paid at retirement or other Separation from Service, such as for periods of unused vacation or sick leave, shall be attributed to calendar years by assuming that employment continued during the period based on which the compensation is measured. Severance pay shall be disregarded, except severance pay in lieu of service.

2.2-2 “Compensation” shall be determined as follows:

(a) Total direct pay reportable on Form W-2 under Code section 3401(a), disregarding limitations based on the nature or location of employment, shall be counted, subject to the following provisions:

(1) Half of any bonuses shall be excluded.

(2) Commissions and cost-of-living allowances shall be excluded.

(3) Any reimbursements or other expense allowances, fringe benefits, moving expenses, severance or disability pay and other deferred compensation (other than as specified in (b)), and welfare benefits shall be excluded.

(4) Gains realized from the exercise of nonqualified stock options shall be excluded.

(b) Total direct pay shall be determined without reduction by elective deferral of otherwise currently taxable compensation under any qualified cash or deferred arrangement under Code section 401(k), any elective welfare benefit arrangement under Code section 125 or a nonqualified deferred compensation plan.

(c) During periods of ongoing Plan-covered employment (or imputed Years of Benefit Service during disability, under 2.2-6 and 2.2-7) with reduced compensation because of such causes as illness, disability or leave of absence, compensation shall be imputed at the last regular rate before the start of the period. In determining “regular rate” for a period of absence that spans a bonus period so that the Executive does not receive a bonus that the Executive would have received if the Executive had not been absent, the average of the Executive’s bonuses in the three years immediately before the absence started shall be used to include bonuses in the imputed pay period.

2.2-3 “Primary Social Security Benefit” means the primary insurance amount estimated for the participant on retirement at or after age 65 under the federal Social Security Act, determined as follows:

(a) The amount may be estimated from the regular pay rate under rules established by the Administrator assuming a standard pay progression over a full working career.

(b) The amount shall not be changed by amendments to the Social Security Act or cost-of-living index adjustments after the participant’s actual Separation from Service date or age 65, whichever is first.

(c) If a participant retires before age 65, the Primary Social Security Benefit shall be the amount that would be received at age 65 assuming level earnings at the participant’s final rate of pay and no change in the Social Security Act.

2.2-4 “Retirement Plan Benefit” means the sum of all amounts payable as an age-65 retirement benefit (as applicable) for the participant under all defined benefit and defined contribution retirement plans maintained by the Company or by an Affiliate, determined in accordance with the following provisions:

(a) Subject to (c), the monthly benefit for the participant under any defined benefit pension plan from service counted for benefits under this Plan and any service following removal from participation, and disregarding any benefit derived from rollovers to such plan derived from a source other than employer contributions relating to the period of service counted for benefits under this Plan. The benefit shall be expressed as a

retirement benefit at age 65 in the form of a straight life annuity using the actuarial equivalency factors applicable under that plan.

(b) Subject to (c), the monthly benefit for the participant under a defined contribution retirement plan relating to service counted for benefits under this Plan and any service following removal from participation. The amount of the benefit shall be based on contributions to the participant's account, carried forward at an interest rate of 8 percent to age 65 or later retirement date, disregarding any amounts derived from employee after-tax or pre-tax contributions or rollovers into the plan by the participant of amounts derived from contributions other than employer contributions for a period of service counted under this Plan. The value of contributions and imputed interest shall be converted to an actuarially equivalent retirement benefit starting at age 65 in the form of a straight life annuity using the actuarial equivalency factors applicable to the Precision Castparts Corp. Retirement Plan (the "PCC Retirement Plan"). If the defined contribution plan is a plan under which employer contributions are made to match, wholly or partly, employee after-tax or pre-tax contributions under the plan, then the offset for the defined contribution plan shall be calculated assuming the employee's account has been credited, for the period of service covered by this Plan, with the maximum matching contributions the employee could have had credited by making employee contributions (without regard to any operational limitations imposed by discrimination testing), carried forward at an interest rate of 8 percent.

(c) For purposes of (a) and (b), the Prior Profit Sharing Plan benefit under the PCC Retirement Plan, if applicable, shall be treated as a defined contribution retirement plan benefit, and the rest of the benefit under the PCC Retirement Plan shall be treated as a defined benefit pension plan benefit. The same treatment shall apply to defined-contribution-type features qualified under Code section 414(k) with respect to any other relevant defined benefit pension plans.

2.2-5 Transfer of employment from one Company or Affiliate employer to another Company or Affiliate employer is not retirement.

2.2-6 Subject to 1.2, "Year of Benefit Service" means a period of 12 months based on the anniversary of the date the employee first performs an hour of service as an employee of the Company or an Affiliate. No service for a business before the date it becomes an Affiliate shall be counted as Benefit Service except as provided in 1.2-3. Except for periods of disability as described below, periods of employment other than as a regular full-time employee eligible for active participation in this Plan under 1.1 shall be disregarded and service credit shall be reduced accordingly. If a person becomes totally and permanently disabled while in Plan-covered employment for benefit accrual purposes, and has at least 10 Years of Eligibility Service at the outset of qualifying disability, the participant will continue to accrue Years of

Benefit Service during disability up to the date the participant reaches age 65 or retires and starts benefits if earlier.

2.2-7 “Disability” means a condition that makes a person eligible for disability income benefits under Social Security for total, permanent disability.

2.2-8 “Years of Eligibility Service” means Years of Benefit Service as defined in 2.2-6 plus Years of Service (as defined in the PCC Retirement Plan), if any, approved by the Committee performed for a business before the date it became an Affiliate or performed for the Company or an Affiliate after the person has been removed from participation as provided in 1.2-1 and related provisions.

2.3 Retirement Benefit Starting Before Normal Retirement Date

2.3-1 An early retirement supplemental benefit shall be payable for a participant who has a Separation from Service before normal retirement but after qualifying for early retirement. The benefit shall be the normal retirement basic supplemental benefit, as adjusted under 2.1-3 and 2.1-4, if applicable, and reduced as described in 2.3-2. The benefit starting date is addressed in 3.1 and related provisions and the form of payment is addressed in 3.3 and related provisions. “Early Retirement Date” means a date that is before the participant’s Normal Retirement Date and on or after the later of the date the participant has earned at least 10 Years of Eligibility Service, and the total of the participant’s Years of Eligibility Service when combined with the participant’s age equals at least 70. Only whole years of age and Years of Eligibility Service are counted in determining when the total reaches 70. Fractional years of age cannot be combined with fractional Years of Eligibility Service to reach 70.

2.3-2 The reduction referred to in 2.3-1 is 3 percent for each year by which the Early Retirement Date precedes age 65. The reduction for partial years shall be prorated monthly. The early retirement reduction shall be applied after calculating the participant’s benefit as for normal retirement, based on service and compensation to actual retirement.

2.3-3 The benefit provided for in 2.3-1, with the reduction provided for in 2.3-2, can be expressed as the product of (a) multiplied by (b), with (a) and (b) as follows:

(a) The amount that is

(1) Fifty-five percent (55%) of Final Average Pay times (Years of Benefit Service up to 25, divided by 25)

PLUS

(2) One-half of one percent (.5%) of Final Average Pay times (Years of Benefit Service over 25)

MINUS

(3) (Retirement Plan Benefit plus Primary Social Security Benefit)

TIMES

(b) The fraction that is

(1-.03 (65 minus age at actual retirement)).

2.3-4 Except as provided under Section 6.2 or Section 4, no benefit shall be paid with respect to a participant who has a Separation from Service before the participant's first available Early Retirement Date. A participant's benefit becomes vested when the requirements of this provision are met, and is unvested before that date.

2.4 Retirement After Normal Retirement Date. If a participant's employment with the Company or an Affiliate continues past the participant's Normal Retirement Date, Years of Benefit Service shall continue to accrue and Final Average Pay shall be calculated including reference to Compensation up to the participant's actual retirement date. The benefit shall be based on the regular formula for retirement under 2.1 and related provisions, and no actuarial adjustment shall be made for starting benefits after Normal Retirement Date.

2.5 Timing of Accrual; When Accrued Benefits Are Forfeited

2.5-1 Benefits become accrued for a participant only after the participant qualifies for a normal retirement benefit under 2.1-1 or for an early retirement benefit under 2.3-1 or for an accelerated vested benefit under 6.2, and not before. No benefit (regardless of whether accrued) shall be payable to any participant whose employment is terminated for Misconduct During Employment. No benefit (regardless of whether accrued or whether benefit payments have begun) shall be payable to any participant who, after Separation from Service, engages in Detrimental Conduct, as determined by the Committee in accordance with 2.5-3. A participant who engages in Detrimental Conduct within three years after Separation from Service or within three years after the date of receiving a lump-sum payment if later must repay to the Company any already-received benefit as provided in 3.3-6(f).

2.5-2 "Misconduct during employment" means:

- (a) Committing a fraudulent or otherwise dishonest act related to employment;
- (b) Making an unauthorized disclosure of confidential, proprietary and/or trade secret information related to the Company or any Affiliate if the information was obtained during employment; or

(c) Engaging in Detrimental Conduct while employed.

2.5-3 “Detrimental Conduct” means doing any of the following during employment or within three years after a Separation from Service:

(a) Using or making an unauthorized disclosure of confidential, proprietary and/or trade secret information related to the Company or any Affiliate; or

(b) Directly or indirectly, engaging anywhere in the world as an employee, officer, director, manager, owner, independent contractor, consultant, partner, proprietor, stockholder, joint venturer, member or principal, or in any other similar capacity whatsoever, in any business in the same or similar industry(ies) as the Company, or any Affiliate, including but not limited to those businesses involved in the manufacture or sale of investment castings, metal forgings, fasteners, aerostructures, or any other similar business conducted by the Company or any Affiliate at any time during the participant’s period of employment. The foregoing sentence shall not prohibit a participant from holding in the aggregate up to five percent (5%) of any securities of a company that is quoted on a recognized stock exchange or automated quotation system.

2.5-4 No forfeiture or absence of a forfeiture shall constitute a waiver of or bar any other remedy that may be available to the Company or an Affiliate under applicable law on account of Misconduct During Employment or Detrimental Conduct.

3. Payment of Benefits

3.1 Start of Benefits. Except as provided in 2, 3.4-2(c) and 6.2, benefits shall start as of the first day of the month after Separation from Service under 3.2-1. This Plan does not provide for any election to delay the start of benefits beyond the otherwise applicable benefit starting date, except under 3.4-2(c). In the case of a spouse’s death benefit under 4.1 through 4.3, benefits shall start with the month that begins after the participant’s death. Benefit payments shall be made by the end of the month to which they apply in accordance with the Company’s regular payroll processing schedule.

3.2 Separation from Service

3.2-1 “Separation from Service” shall occur upon termination of all the Executive’s employment with the controlled group of corporations or commonly controlled trades or businesses, as defined in Code section 414(b) and (c), of which the Company is a member. The Executive shall not be regarded as having a Separation from Service if:

(a) The Executive is on leave from the employer for up to six months or for longer with reemployment rights protected by statute or contract; or

(b) The Executive will continue performing services for the employer and the Executive and the Company reasonably anticipate that the level of such continuing services, whether as an employee or an independent contractor, will be at a rate of 20 percent or more of the average level during the immediately preceding 36-month period.

3.2-2 If the Executive is a Specified Employee and the Company has publicly traded stock, the Executive's benefit shall not be paid to the Executive upon a Separation from Service until six months following the separation date. All amounts due during such six months shall be paid as soon as practicable after the six months have expired. "Specified Employee" means a "key employee" as defined in Code section 416(i), determined without regard to Code section 416(i)(5). The definition of key employee shall be applied by identifying the highest-paid 50 employees of the Company and Affiliates that are in a controlled-group relationship under Code section 414(b) or (c) during the preceding calendar year.

3.3 Form of Benefit

3.3-1 The normal form for payment of benefits shall be a monthly annuity for the life of the participant.

3.3-2 A married participant may elect to receive benefits in the form of an actuarially equivalent contingent annuity with payment continued to the participant's spouse in full or at one-half. Actuarial equivalency shall be determined with reference to the otherwise payable normal benefit and shall be based on the assumptions applicable to determining comparable benefits under the PCC Retirement Plan.

3.3-3 Subject to 3.4, a benefit election under 3.3-2 may be made upon enrollment in this Plan or within 30 days following the marriage of a participant that occurs before the participant's benefit starting date under 3.1 or at any other time that is more than 12 months before the participant's benefit starting date under 3.1. The election shall be by written notice mailed or delivered to the Administrator. An election under 3.3-2 shall no longer be effective if the participant and spouse do not stay married throughout the period from the election date to the benefit starting date or if the participant makes a Subsequent Lump-Sum Election under 3.4.

3.3-4 A participant may elect to receive benefits in the form of an actuarially equivalent lump sum, as follows:

(a) Selecting "lump sum" as the form of benefits designated in the participant's Statement of Participation; or

(b) Making a qualifying Subsequent Lump-Sum Election under 3.4.

3.3-5 If a lump-sum payment election under 3.3-4 or 3.4-1 applies to a participant's benefit, the following shall apply:

(a) The amount of the lump-sum payment shall be based on the basic supplemental benefit on retirement under 2.1 or 2.3 as applicable, using Final Average Pay and Years of Benefit Service and other pertinent benefit formula factors as of the benefit starting date under 3.1. For a benefit starting date before the participant's Normal Retirement Date, the 3 percent adjustment factor in 2.3 shall apply to the extent provided in 2.3-2. The resulting monthly retirement benefit shall then be converted to an actuarially equivalent present value using the interest rate and mortality table assumptions specified in 6.2.

(b) A lump-sum payment shall constitute complete satisfaction of the benefit obligation under this Plan to the participant, and this Plan's postretirement death benefit provisions shall not apply. However, the payback obligation under (e) shall remain in effect.

(c) If a participant dies before starting to receive benefits with a lump-sum payment election in effect and a surviving spouse qualifies for preretirement death benefits under 4.3, the surviving spouse benefit shall be the actuarially equivalent value of the remaining portion of the benefit calculated under 4.3(b), payable in a lump sum. If the participant is unmarried on the date of death, there is no preretirement death benefit and 4.3 shall not apply. The actuarial equivalency shall be determined in a manner consistent with (a).

(d) A lump-sum election shall apply to the participant's entire benefit, regardless of whether the service to which the participant's benefit relates is performed before or after the election is made. Partial lump-sum payment elections shall not be allowed.

(e) A participant's election to receive a lump-sum payment shall constitute an irrevocable agreement by the participant to return the amount received if the electing participant engages in Detrimental Conduct under 2.5-3 within three years after termination of employment, or within three years after receipt of the lump-sum distribution, if later. The amount to be returned shall be the full amount distributed plus interest at 7 percent per annum minus the monthly amounts that would have been paid to the participant in the normal benefit form up to the date the Detrimental Conduct began.

3.4 Subsequent Lump-Sum Election

3.4-1 After enrollment, a participant may elect once to change the form of payment of benefits to or from a lump-sum payment by filing a Subsequent Lump-Sum Election, subject to 3.4-2.

3.4-2 The following requirements apply to Subsequent Lump-Sum Elections under 3.4-1:

(a) The Subsequent Lump-Sum Election must be in writing on a form prescribed by the Administrator, and must be consistent with one of the forms of benefit provided in 3.3.

(b) The Subsequent Lump-Sum Election must be delivered to the Administrator not less than 12 months before the participant's benefit starting date under 3.1 (as determined without regard to a five-year delay under (c)).

(c) The benefit starting date for the participant will be delayed five years from the date the benefit would have been paid if the change had not been made. During the five-year delay, there will not be any preretirement death benefit payable. The early retirement reduction under 2.3-2 will be applied as of the delayed starting date. Any delay beyond age 65 will be actuarially adjusted to reflect the delay using actuarial assumptions applicable to determining comparable benefits under the PCC Retirement Plan.

4. Death Benefits for Spouse

4.1 Subject to 3.4, if a participant dies after starting to receive benefits, or dies after retiring under 2.1, 2.3 or 2.4 but before starting benefits under 3.1, a death benefit shall be paid only as elected by the participant under 1.3, 1.4 and 3.3. A spouse's postretirement death benefit shall only be paid to the spouse to whom the participant was married on the participant's benefit starting date, even if the participant is married to another spouse on the date of death.

4.2 Except as provided in 4.3, if a participant dies before starting to receive benefits or qualifying under 4.1, no death benefit shall be paid. The surviving spouse benefits under 4.3 shall only be payable if the participant and spouse are legally married on the date of death.

4.3 Subject to 1.2-2(e), 3.3-5(c) and 4.2, the surviving spouse of a participant who dies while employed in employment qualifying the participant to earn additional Years of Benefit Service and after the participant has earned at least 10 Years of Eligibility Service, or whose death while so employed is directly related to the participant's employment, shall receive a death benefit as follows:

(a) The benefit shall be a monthly payment for the surviving spouse's life, starting on the first day of the month after the participant's death.

(b) Subject to (c), the amount of the spouse's monthly benefit shall be the amount determined under the 50 percent contingent annuity form described in 3.3-2. In determining the amount of the benefit, the participant's actual Years of Benefit Service, Final Average Pay and relevant offsets shall be

used. On death of a participant before age 65, the reduction under 2.3 shall apply. On death of a participant before early retirement age, the benefit reduction will be calculated with reference to the participant's earliest available retirement age (determined by imputing advancing age and service after death).

(c) If a participant election under 3.3-2 to receive benefits in the form of a contingent annuity with payments continued to the surviving spouse in full is in effect, then the amount under (b) shall be determined using that benefit form.

5. No Advance Funding

Benefits shall be paid from the general assets of the Company. The Company may, but shall not be required to, set aside funds in advance for payment of benefits under this Plan. Even if funds are set aside, that shall not cause this to be a funded employee benefit plan. Participants' rights under this Plan shall be only as general creditors of the Company.

6. Amendment and Termination

6.1 Regular Procedure. Subject to 6.3, the Board of Directors of the Company may amend or terminate this Plan on the first day of any month by notice to the participants subject to the restrictions in Code section 409A but may not revoke any participant's benefit that has a value, determined in accordance with 6.2, as of the revocation date. No value shall be attributed to any spousal survivor benefit for a participant who has not already retired and commenced benefits or to the cash-out payment option for any participant regardless of retirement status. Absent acceleration of vesting under 6.2, the value of an unvested benefit is zero. No benefit accrues for a participant before the participant meets the age and service requirements for vesting under 2.3-4.

6.2 Change in Control. If there is a Change in Control, there will be a total Plan termination effective on the date of the Change in Control and all participants will be fully vested immediately. A change in ownership of an Affiliate of the Company that does not occur as part of a Change in Control under Section 10 will not trigger this 6.2. Vested accrued benefits will be immediately paid as an accelerated vested benefit. The benefit shall be a lump-sum payment as of the first day of the month after the Change in Control. The amount shall be the actuarially determined present value of the participant's basic supplemental benefit on retirement, including Final Average Pay and Years of Benefit Service as of the date of the Change in Control, using the following mortality and interest rate assumptions:

(a) The mortality table shall be the RP2000 Healthy Annuitant mortality tables (100 percent male for retirees and 100 percent female for spouses) projected to 2010 by scale AA.

(b) The interest rate for each year shall be determined by using the 24-month average of the Moody's Long-Term Corporate Bond Yield composite index, ending with the November of the preceding year, less 110 basis points. Each year's interest rate shall remain in effect for distributions that occur at any

time during the year.

No cash-out value shall be attributed to any spousal survivor benefit for a participant. If a participant qualifies for payment of a benefit under this provision, but dies before payment of the benefit, the benefit shall be paid to the participant's surviving spouse if the participant is married on the date of death, or to the participant's estate if the participant is not married on the date of death.

6.3 Technical, Editorial or Operational Changes. The chief executive officer of the Company may amend this Plan to make technical, editorial or operational changes on advice of counsel to comply with applicable law or to simplify or clarify this Plan. The Committee is also authorized to adopt changes under this provision, and shall be the only authorized party to adopt such a change if it affects the benefit of the chief executive officer without having the same effect on substantially all other similarly situated participants. The chief executive officer and the Committee may each delegate amendment authority under this provision to one or more executive officers of the Company, except that no officer to whom authority is delegated may adopt a change if it affects the benefit of that officer without having the same effect on substantially all other similarly situated participants. For example, if applicable tax laws, regulations, revenue rulings or revenue procedures would require a participant to report taxable income due to a benefit under this Plan before the benefit is payable to the participant, this Plan may be amended under this provision to prevent such premature taxation. The Company, the Committee, the chief executive officer and their employees, officers, agents and others acting on their behalf shall not have any liability to any Plan participant or beneficiary with respect to such premature taxation, regardless of whether or not an amendment has been made under this provision.

6.4 Notwithstanding any restriction in this Plan, the Company may amend this Plan from time to time to comply with Code section 409A or with other legal requirements that would cause material adverse consequences to participants if violated.

7. Not Contract of Employment

This Plan shall not be a contract of employment between the Company or an Affiliate and any participant. No participant may object to termination of this Plan under Section 6. This Plan shall not prevent the Company or an Affiliate from discharging any participant from employment at any time.

8. Claims Procedure

8.1 Filing Procedure. Any person claiming a benefit, requesting an interpretation or ruling under this Plan, or requesting information under this Plan shall present the request to the Administrator, who shall respond in writing as soon as practicable. Oral claims must be confirmed in writing by the claimant within a reasonable time. If no written confirmation is received within two weeks of an oral claim, the Administrator may state the claim in writing communicated to the claimant and then proceed on that basis.

8.2 Notice of Denial. If the claim or request is denied, the written notice of

denial shall state:

- (a) The reasons for the denial, with specific reference to this Plan's provisions on which the denial is based;
- (b) A description of any additional material or information required and an explanation of why it is necessary; and
- (c) An explanation of this Plan's claim review procedure.

8.3 Review Procedure. Any person whose claim or request is denied or who has not received a response within 30 days may request review by notice in writing to the Administrator, who shall inform the Committee. The original decision shall be reviewed by the Committee, which may, but shall not be required to, grant the claimant a hearing. On review, whether or not there is a hearing, the claimant may have representation, examine pertinent documents and submit issues and comments in writing.

8.4 Decision on Review. The decision on review shall ordinarily be made within 60 days. If an extension of time is required for a hearing or other special circumstance, the claimant shall be so notified and the time shall be 120 days. The decision shall be expressed in writing and shall state the reasons and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

9. General Provisions

9.1 If suit or action is instituted to enforce any rights under this Plan, the prevailing party may recover from the other party reasonable attorneys' fees at trial and on any appeal.

9.2 Any notice under this Plan shall be in writing and shall be effective when actually delivered or, if mailed, when deposited as registered or certified mail directed to the Company at the address stated in the Statement of Participation or to such other address as either party may specify by notice to the other party. Unless otherwise designated, notices to the Committee or the Administrator shall be sent to the address specified for the Company.

9.3 The rights of a participant under this Plan are personal. Except for amounts owing to or claimed by the Company or an Affiliate and except for the limited provisions of 3.3, no interest of a participant or spouse or representative of a participant may be directly or indirectly transferred, encumbered, seized by legal process or in any other way subjected to the claims of any creditor.

9.4 Following termination of employment, a participant shall not be an employee of the Company or an Affiliate for any purpose and payments under Section 3 shall not constitute salary or wages. A participant shall receive such payments as retirement benefits, not as compensation for performance of any substantial services.

9.5 Except as provided in 9.3, this Plan shall be binding upon and inure to the benefit of the parties and their successors and assigns. If the Company or an Affiliate merges, consolidates or otherwise reorganizes, or its assets or business are acquired by another company, this Plan shall be binding upon the successor company and shall apply to any employment of participants by the successor company.

9.6 This Plan shall be construed according to the laws of Oregon except as preempted by federal law.

9.7 The Company may withhold from payments to a participant or surviving spouse any income tax or other amounts as required by law.

9.8 The Committee shall interpret the Plan, shall have final authority to decide any questions about the rights of participants and their beneficiaries, and in general shall arrange for administration of the Plan by the Administrator. Any decision by the Committee shall be final and bind all parties. The Committee shall have absolute discretion to carry out its responsibilities. The Committee may delegate its authority under this provision, except that no officer to whom authority is delegated may interpret the Plan if it affects the benefit of that officer without having the same effect on substantially all other similarly situated participants.

9.9 If any term or provision of this Plan shall be found by a court of competent jurisdiction to be invalid, or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Plan, and such term or provision shall be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

10. Definition of Change in Control

For purposes of determining whether a Change in Control has occurred, the following definitions shall apply:

10.1 “Change in Control” means a change in ownership of the Company under Section 10.2, a change in effective control of the Company under 10.3 or a change in the ownership of a substantial portion of the Company’s assets under 10.4.

10.2 A change in ownership occurs on the date that any one person or more than one person acting as a group acquires ownership of stock of the Company that, together with stock already held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the Company’s stock.

10.2-1 A change in ownership will not be deemed to occur if, before the person or group acquires additional Company stock, the person or group acquiring Company stock owned, or is treated as owning, more than 50 percent of the total fair market value or total voting power of Company stock.

10.2-2 An increase in the ownership percentage of the person or group as a result of a transaction in which the Company redeems its stock for cash or other property will be treated as an acquisition by the person or group.

10.2-3 Ownership of stock will be determined by applying the rules in Code section 318(a) and by treating stock underlying a vested option as owned by the individual who holds the vested option, unless the stock to which the option applies is not substantially vested as defined in Treasury Regulation section 1.83-3(b) and (j).

10.2-4 Persons will be considered as acting as a group to acquire or hold Company stock or effective control of the Company to the extent provided by applicable regulations or other written guidance published by the Internal Revenue Service.

10.3 A change in effective control of the Company shall occur, regardless whether a change in ownership occurs under 10.2, on the date that an event described in 10.3-1 or 10.3-2 occurs, subject to 10.3-3.

10.3-1 A change in effective control occurs on the date that any one person or more than one person acting as a group acquires (or has acquired during the 12-month period that ends on the date of the most recent acquisition by such person or group) ownership of Company stock possessing more than 35 percent of the total voting power of the Company's stock.

10.3-2 A change in effective control also occurs on the date that a majority of the Company's Board of Directors is replaced during any 12-month period by directors whose election is not endorsed by a majority of the Company's Board members prior to the date of election or appointment.

10.3-3 A change in effective control will not result from the acquisition of additional control of the Company by any person or group that, immediately before such acquisition, owned more than 35 percent of the total voting power of the Company's stock.

10.4 A change in ownership of a substantial portion of the Company's assets occurs on the date that any person or more than one person acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or group) Company assets with a total gross fair market value equal to 40 percent or more of the total gross fair market value of all of the Company's assets immediately prior to the acquisition (or series of acquisitions).

10.4-1 Gross fair market value for this purpose means the value of the Company's assets or the value of the assets being disposed of, without regard to any liabilities associated with such assets.

10.4-2 No Change in Control occurs solely because the Company

transfers assets to an entity controlled by the Company's shareholders immediately after the transfer.

10.4-3 No change in ownership of the Company's assets is deemed to occur solely by reason of a transfer of the Company's assets to any of the following:

- (a) A shareholder of the Company (immediately before the asset transfer) in exchange for the Company's stock;
- (b) An entity, half or more of whose total value or voting power is owned by the Company (directly or indirectly);
- (c) A person or group that owns (directly or indirectly) 50 percent or more of the value or voting power of all of the Company's outstanding shares; or
- (d) An entity, half or more of whose total value or voting power is owned (directly or indirectly) by a person who owns 50 percent or more of the value or voting power of the Company's outstanding shares.

11. Effective Date

This 2005 Restatement shall be effective January 1, 2005. Procedures for changes from provisions of the SERP - Level Two Plan shall be implemented according to a schedule established by the Administrator.

COMPANY PRECISION CASTPARTS CORP.

By: /s/ W.D. Larsson

Name: William D. Larsson

Title: Senior Vice President and
Chief Financial Officer

Date signed: 12/18, 2006

AMENDMENT NO. 1 EXECUTED AS FOLLOWS, EFFECTIVE JANUARY 1, 2008:

PRECISION CASTPARTS CORP.

By: W. D. LARSSON

Name of signer: W. D. LARSSON

Date signed: August 31, 2007

AMENDMENT NO. 2 EXECUTED AS FOLLOWS, EFFECTIVE FEBRUARY 15, 2012:

COMPANY PRECISION CASTPARTS CORP.

By: ROGER A. COOKE

Print Name: ROGER A. COOKE

Title: SVP & General Counsel

SUBSIDIARIES OF PRECISION CASTPARTS CORP.

Name of Subsidiary	Approximate Percentage of Voting Securities Owned	State or Jurisdiction of Incorporation or Organization
AAA Aircraft Supply, LLC	100%	Delaware
Accra Manufacturing, Inc.	100%	Washington
Advanced Forming Technology, Inc.	100%	Colorado
AETC Limited	100%	United Kingdom
AF Aerospace Limited	100%	United Kingdom
AFT Europe-Advanced Forming Technology Ltd.	100%	Hungary
Airdrome Parts Co., Limited	100%	United Kingdom
Alexander Socket Screws Limited	100%	United Kingdom
AlloyWorks, LLC	100%	North Carolina
Arcturus Manufacturing Corporation	100%	California
Avibank Mfg., Inc.	100%	Delaware
Avibank Services, LLC	85%	Delaware
Caledonian Alloys (Canada) Ltd.	100%	Canada
Caledonian Alloys France SAS	100%	France
Caledonian Alloys Group Limited	100%	United Kingdom
Caledonian Alloys, Inc.	100%	South Carolina
Caledonian Alloys Limited	100%	United Kingdom
Caledonian Alloys s.r.o.	100%	Czech Republic
Cameron Forged Products Limited	100%	United Kingdom
Cannon-Muskegon Corporation	100%	Michigan
Carlton Forge Works	100%	California
Chengde Pipe Hong Kong Limited	100%	Hong Kong
Chevron Aerospace Group Limited	100%	United Kingdom
Chevron Aerostructures Limited	100%	United Kingdom
Cometal SAS	100%	France
Daido-Special Metals Ltd.	50%	Japan
Environment-One Corporation	100%	New York
Farnborough Composites Division Limited	100%	United Kingdom
Fatigue Technology, Inc.	100%	Washington
FTI Manufacturing, Inc.	100%	Washington
Greenville Metals, Inc.	100%	Pennsylvania
Hackney Ladish, Inc.	100%	Delaware
Hamilton Aviation, Inc.	100%	Oregon
Hi-Life Tools (UK) Limited	100%	United Kingdom
Hi-Life ULMA Srl	100%	Italy
Howell Penncraft, Inc.	100%	Delaware
Huntington Alloys Canada Ltd.	100%	Canada
Huntington Alloys Corporation	100%	Delaware

Huntington Revert LLC	100%	Delaware
J & L Fiber Services, Inc.	100%	Wisconsin
Kadimi Tool Manufacturing Company Private Limited	50%	India
McWilliams Forge Company	100%	Delaware
Metalac Fasteners, Inc.	100%	Oregon
Metalac S.A. Industria E Comercio	100%	Brazil

Metalac SPS Industria E Comercio, Ltda.	100%	Brazil
NSS Technologies, Inc.	100%	Michigan
Nutt-Shel Company	100%	California
Oregon Plasma Melting	50%	Oregon
Otto Vogeli Industriearmaturen GmbH	100%	Germany
PCC Airfoils LLC	100%	Ohio
PCC Airfoils S.A. de C.V.	100%	Mexico
PCC Business Trust	100%	Massachusetts
PCC European Holdings S.a.r.l.	100%	Luxembourg
PCC Finance Luxembourg S.a.r.l.	100%	Luxembourg
PCC Flow Technologies GmbH	100%	Germany
PCC Flow Technologies Holdings, Inc.	100%	Delaware
PCC Flow Technologies, Inc.	100%	Delaware
PCC Flow Technologies Limited	100%	United Kingdom
PCC Johns Landing LLC	100%	Delaware
PCC-KLAD LLC	100%	Texas
PCC Luxembourg Holdings LLC	100%	Delaware
PCC Luxembourg Holdings SCS	100%	Luxembourg
PCC Rollmet, Inc.	100%	California
PCC Specialty Products, Inc.	100%	Delaware
PCC Structurals, Inc.	100%	Oregon
Precision Castparts Corp. France S.a.r.l.	100%	France
Precision Castparts CZ s.r.o.	100%	Czech Republic
Precision Founders, Inc.	100%	California
Precision MO Corp.	100%	Oregon
Primus International Bangkok Limited	100%	Thailand
Primus International Cayman Co.	100%	Cayman
Primus International Holding Company	100%	Delaware
Primus International Inc.	100%	Washington
Primus International Suzhou Ltd.	100%	China
Primus (UK) Holdings Limited	100%	United Kingdom
SBP Holdings Limited	100%	United Kingdom
Shur-Lok International S.A.	100%	Belgium
SMW Holdings Limited	100%	United Kingdom
Special Metals Corporation	100%	Delaware
Special Metals Deutschland Limited	100%	United Kingdom
Special Metals Pacific Pte Ltd	100%	Singapore
Special Metals Services Limited	100%	United Kingdom
Special Metals Wiggin Limited	100%	United Kingdom
Special Metals Wiggin Trustees Limited	100%	United Kingdom
Specialized Pipe Services, Inc.	100%	Texas
SPS Aerostructures Limited	100%	United Kingdom
SPS Asia Limited	100%	Hong Kong
SPS Chevron Limited	100%	United Kingdom
SPS (China) Co., Ltd.	100%	China

SPS International Investment Company	100%	Delaware
S.P.S. International Limited	100%	Ireland
SPS International S.a.r.l.	100%	Luxembourg
SPS International Trading (Shanghai) Co. Ltd.	100%	China
SPS Tech Trading Limited	100%	United Kingdom

SPS Technologies (Australia) Pty Ltd	100%	Australia
SPS Technologies Limited	100%	United Kingdom
SPS Technologies, LLC	100%	Pennsylvania
SPS Technologies Waterford Company	100%	Michigan
SPS/Unbrako K.K.	100%	Japan
Thistle Processing LLC	100%	West Virginia
T.J. Brooks Ltd	100%	United Kingdom
Unbrako Limited	100%	United Kingdom
University Swaging Corporation	100%	Delaware
Vent-Tek Designs LLC	50%	Delaware
Walden's Machine, LLC	100%	Oklahoma
Western Aerospace Limited	100%	Australia
Western Australian Specialty Alloys Pty. Ltd.	100%	Australia
WG Washington Street LLC	100%	Delaware
Wyman-Gordon Company	100%	Massachusetts
Wyman-Gordon de Mexico, S. de R.L. de C.V.	100%	Mexico
Wyman-Gordon Forgings (Cleveland), Inc.	100%	Ohio
Wyman-Gordon Forgings, Inc.	100%	Delaware
Wyman-Gordon Investment Castings, Inc.	100%	Delaware
Wyman-Gordon Limited	100%	United Kingdom
Wyman-Gordon (Lincoln) Limited	100%	United Kingdom
Wyman-Gordon Monterrey, S. de R.L. de C.V.	100%	Mexico
Wyman-Gordon Pennsylvania, LLC	100%	Oregon
Wyman Gordon, s.r.o.	100%	Czech Republic
Wyman SC, Inc.	100%	California
Yangzhou Chengde Steel Tube Co., Ltd.	50%	China

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-14577, 333-65479, 333-41950, 333-90276, 333-102227, 333-135013, 333-144863, 333-144864, 333-152999, 333-153001, and 333-159581 on Form S-8 of our reports dated May 31, 2012, relating to the consolidated financial statements of Precision Castparts Corp. and subsidiaries, and the effectiveness of Precision Castparts Corp. and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Precision Castparts Corp. for the year ended April 1, 2012.

/s/ DELOITTE & TOUCHE LLP

Portland, Oregon
May 31, 2012

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Mark Donegan, certify that:

1. I have reviewed this annual report on Form 10-K of Precision Castparts Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 31, 2012

/s/ MARK DONEGAN

Mark Donegan

Chairman and Chief Executive Officer

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Shawn R. Hagel, certify that:

1. I have reviewed this annual report on Form 10-K of Precision Castparts Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 31, 2012

/s/ SHAWN R. HAGEL

Shawn R. Hagel

Senior Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

In connection with the annual report on Form 10-K of Precision Castparts Corp. (the "Company") for the fiscal year ended April 1, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Donegan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 31, 2012

/s/ MARK DONEGAN

Mark Donegan

Chairman and Chief Executive Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

In connection with the annual report on Form 10-K of Precision Castparts Corp. (the “Company”) for the fiscal year ended April 1, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Shawn R. Hagel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 31, 2012

/s/ SHAWN R. HAGEL

Shawn R. Hagel

Senior Vice President and

Chief Financial Officer

**13. Commitments and
Contingencies (Tables)**

**12 Months Ended
Apr. 01, 2012**

**[Commitments and Contingencies
Disclosure \[Abstract\]](#)**

**[Future minimum rental payments
under non-cancelable operating leases](#)**

Future minimum rental payments under non-cancelable operating leases with initial or remaining terms of one year or more at April 1, 2012 are as follows:

Fiscal Year	
2013	\$ 28.2
2014	22.7
2015	18.5
2016	13.6
2017	9.8
Thereafter	54.6
Total	\$ 147.4

**1. Summary of Significant
Accounting Policies, Related
Party Transactions (Details)
(Yangzhou Chengde Steel
Tube Co [Member], Equity
Method Investee [Member],
USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011

Yangzhou Chengde Steel Tube Co [Member] | Equity Method Investee [Member]

Related Party Transactions

<u>Purchases from equity investee</u>	\$ 30	\$ 50
<u>Accounts payable to equity investee</u>	\$ 4	\$ 8

**1. Summary of Significant
Accounting Policies,
Goodwill And Acquired
Intangible Assets (Details)**

12 Months Ended

Apr. 01, 2012

Patents [Member]

[**Acquired Finite-Lived Intangible Assets \[Line Item\]**](#)

[Finite-Lived Intangible Assets, Useful Life, Minimum](#) 1

[Finite-Lived Intangible Assets, Useful Life, Maximum](#) 19

Proprietary Technology [Member]

[**Acquired Finite-Lived Intangible Assets \[Line Item\]**](#)

[Finite-Lived Intangible Assets, Useful Life](#) 15

Tradenames [Member]

[**Acquired Finite-Lived Intangible Assets \[Line Item\]**](#)

[Finite-Lived Intangible Assets, Useful Life](#) 3

Long-term Customer Relationships [Member]

[**Acquired Finite-Lived Intangible Assets \[Line Item\]**](#)

[Finite-Lived Intangible Assets, Useful Life, Minimum](#) 3

[Finite-Lived Intangible Assets, Useful Life, Maximum](#) 15

Backlog [Member]

[**Acquired Finite-Lived Intangible Assets \[Line Item\]**](#)

[Finite-Lived Intangible Assets, Useful Life, Minimum](#) 0

[Finite-Lived Intangible Assets, Useful Life, Maximum](#) 5

11. Earnings per Share (Details) (USD \$) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Apr. 01, 2012	Jan. 01, 2012	Oct. 02, 2011	Jul. 03, 2011	Apr. 03, 2011	Jan. 02, 2011	Sep. 26, 2010	Jun. 27, 2010	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
<u>Amounts attributable to PCC shareholders:</u>											
<u>Net income from continuing operations</u>	\$ 338.4	\$ 310.0	\$ 296.5	\$ 285.6	\$ 271.0	\$ 258.7	\$ 243.6	\$ 236.1	\$ 1,230.5	\$ 1,009.4	\$ 925.1
<u>Net (loss) income from discontinued operations</u>	(2.3)	(2.7)	(1.8)	0.4	0	(2.2)	7.4	(1.1)	(6.4)	4.1	(3.3)
<u>Net income attributable to Precision Castparts Corp. ("PCC")</u>	\$ 336.1	\$ 307.3	\$ 294.7	\$ 286.0	\$ 271.0	\$ 256.5	\$ 251.0	\$ 235.0	\$ 1,224.1	\$ 1,013.5	\$ 921.8
<u>Weighted average common shares outstanding:</u>											
<u>Basic weighted average shares outstanding</u>									144.4	142.7	140.7
<u>Weighted Average Number Diluted Shares Outstanding Adjustment</u>									1.2	1.2	1.4
<u>Average shares outstanding assuming dilution</u>									145.6	143.9	142.1
<u>Antidilutive shares excluded from computation of earnings per share:</u>											
<u>Stock options to purchase common stock, antidilutive</u>									1.2	1.5	1.5

**15. Stock-based
Compensation Plans, Fair
Value (Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

Stock Option Plans [Member]

Share-based Compensation Arrangement by Share-based Payment

Award

<u>Grant date fair value per share</u>	\$ 55.81	\$ 48.81	\$ 37.25
<u>Total fair value of awards granted</u>	\$ 56.4	\$ 49.1	\$ 51.8
<u>Total intrinsic value of options exercised</u>	120.4	119.4	93.4

Employee Stock Purchase Plan [Member]

Share-based Compensation Arrangement by Share-based Payment

Award

<u>Grant date fair value per share</u>	\$ 36.95	\$ 33.33	\$ 21.68
<u>Total fair value of awards granted</u>	\$ 7.6	\$ 8.2	\$ 7.3

**1. Summary of Significant
Accounting Policies, Non-
controlling Ownership
Interest (Details)**

Apr. 01, 2012

Equity Method Investments [Member] | Minimum [Member]

Percentage

Non-controlling ownership interest 20.00%

Equity Method Investments [Member] | Maximum [Member]

Percentage

Non-controlling ownership interest 50.00%

Cost-method Investments [Member] | Maximum [Member]

Percentage

Non-controlling ownership interest 20.00%

7. Goodwill and Acquired Intangibles (Tables)

12 Months Ended
Apr. 01, 2012

[Goodwill and Intangible Assets Disclosure \[Abstract\]](#)

[Changes in carrying amount of goodwill by reportable segment](#)

The changes in the carrying amount of goodwill by reportable segment for fiscal 2012 and 2011 were as follows:

	March 28, 2010	Acquired	Currency translation and other	April 3, 2011	Acquired	Currency translation and other	April 1, 2012
Investment							
Cast Products	\$ 336.6	\$ 20.3	\$ 1.6	\$ 358.5	\$ —	\$ (20.5)	\$ 338.0
Forged							
Products	1,249.8	—	22.2	1,272.0	112.5	23.3	1,407.8
Fastener							
Products	1,249.5	8.4	0.8	1,258.7	510.3	(0.3)	1,768.7
Total	<u>\$2,835.9</u>	<u>\$ 28.7</u>	<u>\$ 24.6</u>	<u>\$2,889.2</u>	<u>\$ 622.8</u>	<u>\$ 2.5</u>	<u>\$3,514.5</u>

[Acquired intangible assets](#)

The gross carrying amount and accumulated amortization of our acquired intangible assets were as follows:

	April 1, 2012			April 3, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:						
Patents	\$ 15.0	\$ (9.0)	\$ 6.0	\$ 14.8	\$ (7.5)	\$ 7.3
Proprietary technology	2.3	(1.3)	1.0	2.3	(1.1)	1.2
Tradenames	0.4	(0.4)	—	0.4	(0.4)	—
Long-term customer relationships	56.7	(20.5)	36.2	33.6	(14.4)	19.2
Backlog	34.3	(15.5)	18.8	18.6	(17.0)	1.6
Revenue sharing agreements	28.9	(1.0)	27.9	28.9	(0.5)	28.4
	<u>\$ 137.6</u>	<u>\$ (47.7)</u>	<u>89.9</u>	<u>\$ 98.6</u>	<u>\$ (40.9)</u>	<u>57.7</u>
Unamortizable intangible assets:						
Tradenames			261.4			192.6
Long-term customer relationships			876.8			204.8
Acquired intangibles, net			<u>\$1,228.1</u>			<u>\$ 455.1</u>

Projected amortization expense

Projected amortization expense for finite-lived intangible assets for the succeeding five fiscal years is as follows:

Fiscal	Estimated Amortization Expense
2013	\$ 15.1
2014	15.0
2015	12.8
2016	11.6
2017	5.9

**15. Stock-based
Compensation Plans, Stock
Option Activity (Details)
(USD \$)
Share data in Millions,
unless otherwise specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010 Mar. 29, 2009

**Share-based Compensation Arrangement by Share-based
Payment Award, Options, Outstanding [Roll Forward]**

<u>Options outstanding, shares - beginning of period</u>	5,174,000	6,051,000	6,551,000	
<u>Options granted, shares</u>	1,010,000	1,005,000	1,384,000	
<u>Options granted, weighted average exercise price</u>	\$ 160.99	\$ 137.27	\$ 101.89	
<u>Options exercised, shares</u>	(1,323,000)	(1,567,000)	(1,618,000)	
<u>Options exercised, weighted average exercise price</u>	\$ 73.17	\$ 59.51	\$ 41.64	
<u>Options forfeited or expired, shares</u>	(126,000)	(315,000)	(266,000)	
<u>Options forfeited or expired, weighted average exercise price</u>	\$ 113.21	\$ 97.45	\$ 90.68	
<u>Options outstanding, shares - end of period</u>	4,735,000	5,174,000	6,051,000	
<u>Options outstanding, weighted average exercise price</u>	\$ 111.29	\$ 91.88	\$ 76.21	\$ 62.67
<u>Options outstanding, weighted average remaining contractual term (years)</u>	7.29	7.06	7.42	7.29
<u>Options outstanding, aggregate intrinsic value</u>	\$ 291.7	\$ 298.7	\$ 303.0	\$ 89.1
<u>Vested or expected to vest, shares</u>	2,382,000	^[1] 2,570,000	^[1]	
<u>Vested or expected to vest, weighted average exercise price</u>	\$ 126.45	^[1] \$ 104.14	^[1]	
<u>Vested or expected to vest, weighted average remaining contractual term (years)</u>	8.47	^[1] 8.52	^[1]	
<u>Vested or expected to vest, aggregate intrinsic value</u>	110.7	^[1] 116.9	^[1]	
<u>Exercisable, shares</u>	2,113,000	2,346,000		
<u>Exercisable, weighted average exercise price</u>	\$ 90.97	\$ 76.39		
<u>Exercisable, weighted average remaining contractual term (years)</u>	5.77	5.28		
<u>Exercisable, aggregate intrinsic value</u>	\$ 173.1	\$ 171.8		

[1] Represents outstanding options reduced by expected forfeitures

14. Shareholders' Equity
(Details) (USD \$)

Apr. 01, 2012 Apr. 03, 2011

Stockholders' Equity Note [Abstract]

<u>Common stock, stated value per share</u>	\$ 1	\$ 1
<u>Common stock, shares authorized</u>	450,000,000	450,000,000
<u>Preferred stock, no par value</u>	\$ 0	\$ 0
<u>Preferred stock, shares authorized</u>	1,000,000	1,000,000

**18. Pensions and Other
Postretirement Benefit Plans,
Plan Asset Allocations
(Details)**

	12 Months Ended	
	Apr. 01, 2012	Apr. 03, 2011
<u>Plan asset actual allocations</u>		
<u>Actual allocation</u>	100.00%	100.00%
Equity Securities and Funds [Member]		
<u>Plan asset target allocations</u>		
<u>Defined Benefit Plan, Target Allocation Percentage of Assets, Equity Securities, Range Minimum</u>	25.00%	
<u>Defined Benefit Plan, Target Allocation Percentage of Assets, Equity Securities, Range Maximum</u>	60.00%	
<u>Plan asset actual allocations</u>		
<u>Defined Benefit Plan, Equity Securities</u>	41.00%	40.00%
Fixed Income Securities and Funds [Member]		
<u>Plan asset target allocations</u>		
<u>Defined Benefit Plan, Target Allocation Percentage of Assets, Debt Securities, Range Minimum</u>	5.00%	
<u>Defined Benefit Plan, Target Allocation Percentage of Assets, Debt Securities, Range Maximum</u>	50.00%	
<u>Plan asset actual allocations</u>		
<u>Defined Benefit Plan, Debt Securities</u>	23.00%	24.00%
Absolute Return [Member]		
<u>Plan asset target allocations</u>		
<u>Minimum target allocation</u>	5.00%	
<u>Maximum target allocation</u>	40.00%	
<u>Plan asset actual allocations</u>		
<u>Actual allocation</u>	24.00%	25.00%
Royalty Investments [Member]		
<u>Plan asset target allocations</u>		
<u>Minimum target allocation</u>	0.00%	
<u>Maximum target allocation</u>	15.00%	
<u>Plan asset actual allocations</u>		
<u>Actual allocation</u>	7.00%	8.00%
Cash and Other Investments [Member]		
<u>Plan asset target allocations</u>		
<u>Minimum target allocation</u>	1.00%	
<u>Maximum target allocation</u>	10.00%	
<u>Plan asset actual allocations</u>		
<u>Actual allocation</u>	5.00%	3.00%

**5. Concentration of Credit
Risk (Details) (Sales
[Member])**

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Aerospace Industry Concentration Risk [Member]

[Concentration Risk \[Line Items\]](#)

[Concentration Risk, Percentage](#)

62.00% 57.00% 54.00%

General Electric [Member] | Customer Concentration Risk [Member]

[Concentration Risk \[Line Items\]](#)

[Concentration Risk, Percentage](#)

15.40% 12.50% 14.00%

**15. Stock-based
Compensation Plans, Stock-
based Compensation
Expense (Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

**Employee Service Share-based Compensation, Allocation of Recognized
Period Costs [Line Items]**

<u>Stock-based compensation before income taxes</u>	\$ 48.4	\$ 47.3	\$ 41.1
<u>Income tax benefit</u>	(15.0)	(13.6)	(12.4)
<u>Total stock-based compensation expense after income taxes</u>	33.4	33.7	28.7
<u>Stock-based compensation expense capitalized</u>	0	0	0
<u>Unrecognized stock-based compensation expense, net of estimated forfeitures</u>	89.3		
<u>Unrecognized stock-based compensation expense, net of estimated forfeitures, weighted average period of recognition</u>	2.9		
Cost of Good Sold [Member]			

**Employee Service Share-based Compensation, Allocation of Recognized
Period Costs [Line Items]**

<u>Stock-based compensation before income taxes</u>	16.6	16.9	12.7
Selling and Administrative Expenses [Member]			

**Employee Service Share-based Compensation, Allocation of Recognized
Period Costs [Line Items]**

<u>Stock-based compensation before income taxes</u>	\$ 31.8	\$ 30.4	\$ 28.4
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**18. Pensions and Other
Postretirement Benefit Plans,
Health Care Trend Rates
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011

Effect of a one-percentage-point change in assumed health care cost trend rates

<u>Effect on total of service and interest cost components, 1 percentage point increase</u>	0.2
<u>Effect on total service and interest cost components, 1 percentage point decrease</u>	(0.2)
<u>Effect on postretirement benefit obligation, 1 percentage point increase</u>	3.0
<u>Effect on postretirement benefit obligation, 1 percent point decrease</u>	(2.8)

Other Postretirement Benefit Plans, Defined Benefit [Member]

Health care cost trend rates used

<u>Health care cost trend assumed for next year</u>	6.73%	8.41%
<u>Ultimate trend rate</u>	4.70%	4.70%
<u>Year ultimate rate is reached</u>	2081	2081

**17. Derivatives and Hedging
Activities (Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended
Apr. Apr. Mar.
01, 03, 28,
2012 2011 2010

Derivatives, Fair Value [Line Items]

The amount of net gain (loss) on cash flow hedges expected to be reclassified to income from accumulated other comprehensive income over the next 12 months

\$ 0.9

Maximum term (in months) of derivative contracts

15

Notional amount of foreign exchange contracts, net

440

Designated as Hedging Instrument [Member]

Derivatives, Fair Value [Line Items]

Amount of Gain (Loss) Recognized in Income on Derivative (Effective Portion)

3.8

9.9

3.5

Designated as Hedging Instrument [Member] | Foreign Exchange Contract [Member]

Derivatives, Fair Value [Line Items]

Foreign Currency Derivative Assets at Fair Value

2.5

3.8

Foreign Currency Derivative Liabilities at Fair Value

1.9

3.3

Designated as Hedging Instrument [Member] | Commodity Swap Contracts Designated As Hedges [Member]

Derivatives, Fair Value [Line Items]

Commodity Contract Asset, Current

2.6

Designated as Hedging Instrument [Member] | Interest Rate Swap [Member]

Derivatives, Fair Value [Line Items]

Interest rate derivative liabilities, at fair value

1.1

Interest rate derivative asset, at fair value

1.6

Not Designated as Hedging Instrument [Member]

Derivatives, Fair Value [Line Items]

Amount of Gain (Loss) Recognized in Income on Derivative (Effective Portion)

\$ (2.1)

\$ 8.6

\$ (12.4)

**18. Pensions and Other
Postretirement Benefit Plans,
Estimated Future Benefit
Payments (Details) (USD \$)
In Millions, unless otherwise
specified**

Apr. 01, 2012

Pension Plans, Defined Benefit [Member]

Estimated future benefit payments

<u>2013</u>	\$ 96.9
<u>2014</u>	81.8
<u>2015</u>	86.0
<u>2016</u>	88.5
<u>2017</u>	92.3
<u>2018-2022</u>	530.7

Other Postretirement Benefit Plans, Defined Benefit [Member]

Estimated future benefit payments

<u>2013</u>	7.0
<u>2014</u>	6.7
<u>2015</u>	6.5
<u>2016</u>	6.4
<u>2017</u>	6.3
<u>2018-2022</u>	\$ 30.0

**15. Stock-based
Compensation Plans, Fair
Value Assumptions (Details)**

12 Months Ended
Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010
Years Years Years

Stock Option Plans [Member]

Share-based Compensation Arrangement by Share-based Payment

Award

<u>Risk-free interest rate</u>	0.70%	1.00%	1.90%
<u>Expected dividend yield</u>	0.10%	0.10%	0.10%
<u>Expected volatility</u>	42.70%	44.00%	43.80%
<u>Expected life minimum (in years)</u>	3.0	3.0	2.7
<u>Expected life maximum (in years)</u>	4.4	4.4	4.4

Employee Stock Purchase Plan [Member]

Share-based Compensation Arrangement by Share-based Payment

Award

<u>Risk-free interest rate</u>	0.30%	0.40%	0.40%
<u>Expected dividend yield</u>	0.10%	0.10%	0.20%
<u>Expected volatility</u>	29.90%	38.40%	40.40%
<u>Expected life (in years)</u>	1.0	1.0	1.0

12. Fair Value Measurements
(Details) (USD \$)
In Millions, unless otherwise
specified

Apr. 01,
2012

Apr. 03,
2011

Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]

Book value of long-term fixed rate debt instruments \$ 207.4 \$ 235.5

Estimated fair value of long-term fixed rate debt instruments 221.0 257.2

Fair Value, Measurements, Recurring [Member]

Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]

Trading securities 74.5 499.2

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Assets 4.1 7.5

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Liabilities 1.9 3.3

Fair Value, Measurements, Recurring [Member] | Level 1 [Member]

Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]

Trading securities 74.5 400.2

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Assets 0 0

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Liabilities 0 0

Fair Value, Measurements, Recurring [Member] | Level 2 [Member]

Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]

Trading securities 0 99.0

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Assets 4.1 7.5

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Liabilities 1.9 3.3

Fair Value, Measurements, Recurring [Member] | Level 3 [Member]

Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]

Trading securities 0 0

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Assets 0 0

Fair Value, Assets Measured on Recurring Basis, Derivative Financial Instruments,
Liabilities \$ 0 \$ 0

**18. Pensions and Other
Postretirement Benefit Plans**

**12 Months Ended
Apr. 01, 2012**

[General Discussion of
Pension and Other
Postretirement Benefits
\[Abstract\]](#)

[Pensions and Other
Postretirement Benefit Plans](#)

Pension and other postretirement benefit plans

We sponsor many U.S. and non-U.S. defined benefit pension plans. Benefits provided by these plans are generally based on years of service and compensation. Our general funding policy for qualified pension plans is to contribute amounts at least sufficient to satisfy regulatory funding standards. We also provide postretirement medical benefits for certain eligible employees who have satisfied plan eligibility provisions, which include age and/or service requirements.

Pension and postretirement benefit obligations and funded status

Fiscal	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Change in plan assets:				
Beginning fair value of plan assets	\$ 1,680.2	\$ 1,473.2	\$ —	\$ —
Actual return on plan assets	53.4	120.6	—	—
Adjustment from curtailment/settlement	—	—	—	(38.0)
Company contributions	69.4	115.9	8.5	47.0
Plan participants' contributions	2.2	2.3	—	—
Benefits paid	(81.6)	(78.6)	(8.5)	(9.0)
Exchange rate and other	(4.3)	46.8	—	—
Ending fair value of plan assets	\$ 1,719.3	\$ 1,680.2	\$ —	\$ —
Change in projected benefit obligations:				
Beginning projected benefit obligations	\$ 1,642.8	\$ 1,490.3	\$ 83.5	\$ 130.3
Service cost	34.5	33.5	0.7	0.8
Interest cost	92.1	91.0	4.6	5.7
Plan participants' contributions	2.2	2.3	—	—
Amendments/curtailments/settlement	4.6	—	1.8	(37.7)
Actuarial losses (gains)	227.0	61.1	8.6	(6.6)
Benefits paid	(81.6)	(78.6)	(8.5)	(9.0)
Exchange rate and other	(2.4)	43.2	—	—
Ending projected pension and postretirement benefit obligations	\$ 1,919.2	\$ 1,642.8	\$ 90.7	\$ 83.5
Funded Status:				
Fair value of plan assets (less) greater than projected pension and postretirement benefit obligations	\$ (199.9)	\$ 37.4	\$ (90.7)	\$ (83.5)
Amounts recognized in the balance sheets:				
Noncurrent asset	\$ 13.4	\$ 149.5	\$ —	\$ —
Current liabilities	(5.4)	(8.6)	(7.0)	(7.5)
Noncurrent liabilities	(207.9)	(103.5)	(83.7)	(76.0)
Net amount recognized	\$ (199.9)	\$ 37.4	\$ (90.7)	\$ (83.5)
Amounts recognized in accumulated other comprehensive loss consist of:				
Net actuarial loss	\$ 669.6	\$ 389.5	\$ 15.4	\$ 7.4
Prior service cost (benefit)	17.7	16.5	1.6	(0.6)
Unrecognized net transition obligation	0.1	—	—	—
Net amount recognized, before tax effect	\$ 687.4	\$ 406.0	\$ 17.0	\$ 6.8

Of the total amounts included in accumulated other comprehensive loss as of April 1, 2012, we estimate that we will recognize amortization of the following amounts as components of net periodic pension and postretirement benefit cost in fiscal 2013: net loss of \$46.4 million; prior service cost of \$3.5 million; and transition obligation of \$0.1 million. Several of our defined benefit pension plans have accumulated benefit obligations in excess of plan assets. As of April 1, 2012, the

aggregate projected benefit obligation was \$681.8 million, the aggregate accumulated benefit obligation was \$632.7 million, and the aggregate fair value of plan assets was \$493.6 million associated with these defined benefit pension plans.

Components of net periodic pension cost

The net periodic pension cost for our pension plans consisted of the following components:

Fiscal	2012	2011	2010
Service cost	\$ 36.6	\$ 35.3	\$ 31.7
Interest cost	92.1	91.0	86.6
Expected return on plan assets	(131.5)	(123.5)	(104.6)
Amortization of prior service cost/curtailment gain	3.0	3.1	4.1
Amortization of transition asset	0.2	0.2	0.2
Amortization of net actuarial loss	21.8	18.7	12.6
Net periodic pension cost	\$ 22.2	\$ 24.8	\$ 30.6

The net postretirement benefit cost of our postretirement benefit plans consisted of the following components:

Fiscal	2012	2011	2010
Service cost	\$ 0.7	\$ 0.8	\$ 1.3
Interest cost	4.6	5.7	8.5
Amortization of prior service cost/curtailment gain	(0.3)	(0.7)	(0.7)
Amortization of net actuarial loss	0.5	0.6	0.7
Net postretirement benefit cost	\$ 5.5	\$ 6.4	\$ 9.8

Components of amounts recognized in other comprehensive income:

The changes in plan assets and benefit obligations recognized in other comprehensive income ("OCI") for our pension plans consisted of the following:

Fiscal	2012	2011	2010
Net actuarial loss	\$ 283.8	\$ 46.0	\$ 114.6
Amortization of net actuarial loss	(2.6)	(2.5)	(0.4)
Prior service cost	4.5	—	0.7
Amortization of prior service cost	(3.0)	(3.1)	(3.6)
Amortization of transition obligation	(0.2)	(0.2)	(0.2)
Exchange rate (loss) gain	(1.2)	6.0	0.3
Total recognized in OCI	\$ 281.3	\$ 46.2	\$ 111.4

The changes in plan assets and benefit obligations recognized in other comprehensive income for our postretirement benefit plans consisted of the following:

Fiscal	2012	2011	2010
Net actuarial loss (gain)	\$ 8.0	\$ (11.5)	\$ 8.4
Prior service cost	1.9	0.3	—
Amortization of prior service cost	0.3	5.1	0.6
Total recognized in OCI	\$ 10.2	\$ (6.1)	\$ 9.0

Weighted-average assumptions

The weighted-average assumptions used in determining the pension and postretirement benefit obligations in our pension and postretirement plans in fiscal 2012 and 2011 were as follows:

U.S. Plans	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011

Discount rate	4.85%	5.75%	4.85%	5.75%
Rate of compensation increase	3.00%	3.00%	3.00%	3.00%

<u>Non-U.S. Plans</u>	<u>Pension Benefits</u>	
<u>Fiscal</u>	2012	2011
Discount rate	5.27%	5.88%
Rate of compensation increase	2.97%	3.22%

As of April 1, 2012, the projected U.S. pension benefit obligation was \$1,287.6 million and the non-U.S. pension benefit obligation was \$631.6 million.

The weighted-average assumptions used in determining the net periodic pension and postretirement benefit cost in our pension and postretirement plans in fiscal 2012, 2011 and 2010 were as follows:

<u>U.S. Plans</u>	<u>Pension Benefits</u>			<u>Other Postretirement Benefits</u>		
<u>Fiscal</u>	2012	2011	2010	2012	2011	2010
Discount rate	5.75%	6.25%	7.25%	5.75%	6.25%	7.25%
Expected return on plan assets	8.00%	8.00%	8.00%	—	—	—
Rate of compensation increase	3.00%	3.25%	3.50%	3.00%	3.25%	3.50%

<u>Non-U.S. Plans</u>	<u>Pension Benefits</u>		
<u>Fiscal</u>	2012	2011	2010
Discount rate	5.88%	5.83%	6.68%
Expected return on plan assets	7.50%	7.50%	7.50%
Rate of compensation increase	3.22%	3.43%	3.43%

For the year ended April 1, 2012, our U.S. net periodic pension cost was \$25.7 million and our non-U.S. net periodic benefit income was \$3.5 million.

Health care trend rates

The health care cost trend rates used in fiscal 2012 and 2011 were as follows:

<u>Fiscal</u>	<u>Other Postretirement Benefits</u>	
	2012	2011
Health care cost trend assumed for next year	6.73%	8.41%
Ultimate trend rate	4.70%	4.70%
Year ultimate rate is reached	2081	2081

A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	<u>1 percentage point increase</u>		<u>1 percentage point decrease</u>	
Effect on total of service and interest cost components	\$	0.2	\$	(0.2)
Effect on postretirement benefit obligation	\$	3.0	\$	(2.8)

During fiscal 2012, we contributed \$69.4 million to the defined benefit pension plans, of which \$50.0 million was voluntary. In the first month of fiscal 2013, we made a \$50.0 million voluntary contribution to the defined benefit pension plans. We expect to contribute approximately \$12.4 million of required contributions in fiscal 2013, for total contributions to the defined benefit pension plans of approximately \$62.4 million in fiscal 2013. In addition, we contributed \$8.5 million to the other postretirement benefit plans during fiscal 2012. We expect to contribute approximately \$7.0 million to the other postretirement benefit plans during fiscal 2013.

In July 2010, we paid \$38.3 million to one of our postretirement medical benefit plans that was jointly administered with a union. This payment and the related administrative changes remove PCC and its affiliates from any further financial,

administrative or fiduciary responsibilities to this plan, and we therefore accounted for these events as a settlement of the plan and reversed the related liability. There was no significant gain or loss associated with the settlement.

Estimated future benefit payments for our pension and other postretirement benefit plans are expected to be:

Fiscal Year	Pension Benefits	Other Postretirement Benefits
2013	\$ 96.9	\$ 7.0
2014	81.8	6.7
2015	86.0	6.5
2016	88.5	6.4
2017	92.3	6.3
2018-2022	530.7	30.0

Plan asset allocations

The Company's asset allocation strategy is designed to balance the objectives of achieving the asset return assumption consistently over the long-term in order to fund future payment obligations and broadly diversifying investments across financial markets to protect investment values against adverse movements. In addition, we seek to minimize the volatility of the plans' funded status and the Company's pension expense. Asset classes with differing expected rates of return, return volatility and correlations are utilized to control risk and provide diversification. The asset categories are described below, along with the investment level classification under fair value guidance as defined in Note 12—Fair value measurements.

Public Equity Securities (Long/Hedged)

Long equity investments consist of publicly traded equity securities that are well diversified across managers, styles, sectors and countries. Hedged equity investments typically add short positions in equities or equity futures in order to generate absolute returns regardless of equity market direction. Public equity investments made directly through managed (separate) account structures and valued based upon closing prices reported in active trading markets are classified as Level 1. Equity investments made indirectly via liquid pooled funds valued at the net asset value ("NAV") of the fund are classified as Level 2 and are typically valued at the most recently published NAV of the fund, which may be derived from underlying investment values one quarter earlier, unless management believes an adjustment to NAV is warranted based on changes in observable inputs or an expectation that an investment will be sold at a value other than NAV.

Private Equity

Private equity investments consist of investments in limited partnerships or commingled vehicles with managers who purchase interests in non-public companies. Sub-categories of private equity may include venture capital, early stage, special situations or restructuring funds. Private equity funds typically have low liquidity, a 10 year or longer investment commitment, and valuation methodologies that require the use of significant unobservable inputs. Private equity investments are classified as Level 3 and are typically valued at the most recently published NAV of the fund, unless management believes an adjustment is warranted as described above. For the years ended April 1, 2012 and April 3, 2011, no material adjustments were made to fund NAVs.

Absolute Return (Market Sectors/Arbitrage)

Absolute return strategies are investments with managers who seek specified levels of absolute returns with minimal correlation to market movements. Absolute return managers typically invest in futures, forwards or options on a variety of asset classes. Market sector strategies seek to capitalize on movements in commodity, currency, interest rate and/or other traditional markets while arbitrage strategies focus on credit, volatility or other alternative asset classes. Investments are typically made in limited partnerships and classified Level 2 when funds offer regular liquidity at fund NAVs and reported values are based on significant observable inputs. All other investments are classified as Level 3 and are typically valued at the most recently published NAV of the fund, unless management believes an adjustment is warranted as described above.

Royalty Investments

Royalty investments are made through a limited partnership which purchases income-producing royalties derived from sales of pharmaceutical products. Valuation of the fund is determined from an independent appraisal process whereby significant observable inputs are used in determining the fund's NAV. Liquidity is typically arranged in the secondary market with trades occurring at the most recent published NAV. Royalty investments are classified as Level 2 and are typically valued at the most recently published NAV of the fund, unless management believes an adjustment is warranted as described above.

Fixed Income (Investment/Non-Investment Grade)

Fixed income investments consist of public and private fixed income securities of U.S. and non-U.S. government and corporate issuers and fixed income mutual funds. Fixed income investments made directly through managed (separate) account structures and valued based upon closing prices reported in the active trading markets are classified as Level 1. Fixed income investments made indirectly via liquid pooled funds valued at the NAV of the fund are classified as Level 2. Fixed income investments with low liquidity and valuation methodologies that require the use of significant unobservable inputs are classified as Level 3.

The fair value methods employed by PCC as noted above may not be validated at the time of sale and may not reflect future fair value measurements. The use of different assumptions of valuation methodologies may lead to different fair value measurements.

Cash/Other

Cash and other investments include highly liquid money market securities, demand deposits and other cash equivalents.

The table below sets forth our target asset allocation for fiscal 2012 and the actual allocations at April 1, 2012 and April 3, 2011:

	Target Allocation	Actual Allocation	Actual Allocation
	2012	4/1/2012	4/3/2011
Equity	25% – 60%	41%	40%
Fixed Income	5% – 50%	23%	24%
Absolute Return	5% – 40%	24%	25%
Royalties	0% – 15%	7%	8%
Cash/Other	1% – 10%	5%	3%
Total		100%	100%

The fair value of our pension plan assets at April 1, 2012 by asset category are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Equity:				
Long	\$ 288.1	\$ 45.1	\$ —	\$ 333.2
Hedged	48.6	159.7	0.8	209.1
Private Equity / Venture Capital	—	—	165.8	165.8
Total Equity	336.7	204.8	166.6	708.1
Absolute Return:				
Market Sectors	—	206.0	—	206.0
Arbitrage	—	192.9	12.6	205.5
Total Absolute Return	—	398.9	12.6	411.5
Royalties	—	126.9	—	126.9
Fixed Income:				
Investment Grade	311.7	2.2	—	313.9
Non-Investment Grade	—	41.1	31.7	72.8
Total Fixed Income	311.7	43.3	31.7	386.7
Cash/Other	85.3	0.8	—	86.1
Total	\$ 733.7	\$ 774.7	\$ 210.9	\$ 1,719.3

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended April 1, 2012:

Investment	Balance at April 3, 2011	Realized / Unrealized Gain / (Loss)	Net Purchases / (Redemptions)	Transfers Into / (Out of) Level 3	Balance at April 1, 2012
Hedged Equity	\$ —	\$ (0.4)	\$ (0.8)	\$ 2.0	\$ 0.8
Private Equity / Venture Capital	133.7	5.5	26.6	—	165.8
Arbitrage	12.7	(3.9)	—	3.8	12.6
Fixed Income - Non- Investment Grade	40.0	2.6	(10.9)	—	31.7
Total	\$ 186.4	\$ 3.8	\$ 14.9	\$ 5.8	\$ 210.9

The fair value of our pension plan assets at April 3, 2011 by asset category are as follows:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Equity:				
Long	\$ 266.5	\$ 63.2	\$ —	\$ 329.7
Hedged	46.4	165.8	—	212.2
Private Equity / Venture Capital	—	—	133.7	133.7
Total Equity	312.9	229.0	133.7	675.6
Absolute Return:				
Market Sectors	—	186.2	—	186.2
Arbitrage	—	215.1	12.7	227.8
Total Absolute Return	—	401.3	12.7	414.0
Royalties	—	141.0	—	141.0
Fixed Income:				
Investment Grade	287.8	33.6	—	321.4
Non-Investment Grade	—	44.6	40.0	84.6
Total Fixed Income	287.8	78.2	40.0	406.0
Cash/Other	42.7	0.9	—	43.6
Total	\$ 643.4	\$ 850.4	\$ 186.4	\$ 1,680.2

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended April 3, 2011:

Investment	Balance at March 28, 2010	Realized / Unrealized Gain / (Loss)	Net Purchases / (Redemptions)	Transfers Into / (Out of) Level 3	Balance at April 3, 2011
Private Equity / Venture Capital	\$ 110.4	\$ 13.2	\$ 10.1	\$ —	\$ 133.7
Arbitrage	12.2	(1.3)	1.8	—	12.7
Fixed Income - Non-Investment Grade	—	5.0	0.2	34.8	40.0
Total	\$ 122.6	\$ 16.9	\$ 12.1	\$ 34.8	\$ 186.4

Multi-employer Pension Plans

We are a participating employer in several trustee-managed multiemployer, defined benefit pension plans for employees who participate in collective bargaining agreements. The risks of participating in these multiemployer plans are different from single-employer plans in that (i) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (ii) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be assumed by the remaining participating employers and (iii) if we choose to stop participating in any of our multiemployer plans, we may be required to pay those plans a withdrawal amount based on the underfunded status of the plan. The following table outlines our participation in multiemployer plans:

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status (a)			Contributions of PCC				Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		FY2012	FY2011	FIP/RP Status (b)	FY2012	FY2011	FY2010			
IAM National Pension Plan	51-6031295/002 (c)	Green	Green	Not Applicable	\$ 1.0	\$ 1.0	\$ 0.8	No		6/30/2012 8/16/2012
Steelworkers Pension Trust	23-6648508/499	Green	Green	Not Applicable	3.2	3.0	2.4	No		8/3/2012
Boilermaker-Blacksmith National Pension Trust	48-6168020/001 (c)(d)	Yellow	Yellow	Implemented	0.5	0.7	0.4	No Yes		2/14/2014 7/15/2015
Total Contributions:					\$ 4.7	\$ 4.7	\$ 3.6			

(a) Unless otherwise noted in the table, the most recent Pension Protection Act zone status available in fiscal 2012 and fiscal 2011 is for the plan's year-end at December 31, 2011 and 2010, respectively. The zone status is based on information that we received from the plan and is certified by the plan's actuary.

- (b) The "FIP/RP Status" column indicates plans for which a Funding Improvement Plan ("FIP") or a Rehabilitation Plan ("RP") is either pending or has been implemented.
- (c) The plans zone status was calculated after taking into account IRS approval for an "amortization extension", adjusting future benefit accruals, and electing other funding relief measures made available under the Pension Relief Act of 2010.
- (d) Beginning on January 1, 2010, the minimum contribution rate required to be paid by the employers is equal to the base contribution rate in effect, for the collective bargaining agreement in effect on September 30, 2008, multiplied by the following factors over the following five calendar years: 2010 - 135%; 2011 - 170%; 2012 - 205%; 2013 - 240%; after 01/01/2014 - 275%.

Defined Contribution Plans

The expense related to employer contributions to our defined contribution plans was \$18.9 million, \$14.4 million and \$14.4 million in fiscal 2012, 2011 and 2010, respectively.

**1. Summary of Significant
Accounting Policies,
Research And Development
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Research And Development [Line Items]

<u>Research and development expense</u>	\$ 17.8	\$ 17.1	\$ 25.6
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**18. Pensions and Other
Postretirement Benefit Plans
(Tables)**

**12 Months Ended
Apr. 01, 2012**

[Defined Benefit Plan
Disclosure \[Line Items\]](#)
[Pension and postretirement
benefit obligations and funded
status](#)

Fiscal	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Change in plan assets:				
Beginning fair value of plan assets	\$ 1,680.2	\$ 1,473.2	\$ —	\$ —
Actual return on plan assets	53.4	120.6	—	—
Adjustment from curtailment/settlement	—	—	—	(38.0)
Company contributions	69.4	115.9	8.5	47.0
Plan participants' contributions	2.2	2.3	—	—
Benefits paid	(81.6)	(78.6)	(8.5)	(9.0)
Exchange rate and other	(4.3)	46.8	—	—
Ending fair value of plan assets	\$ 1,719.3	\$ 1,680.2	\$ —	\$ —
Change in projected benefit obligations:				
Beginning projected benefit obligations	\$ 1,642.8	\$ 1,490.3	\$ 83.5	\$ 130.3
Service cost	34.5	33.5	0.7	0.8
Interest cost	92.1	91.0	4.6	5.7
Plan participants' contributions	2.2	2.3	—	—
Amendments/curtailments/settlement	4.6	—	1.8	(37.7)
Actuarial losses (gains)	227.0	61.1	8.6	(6.6)
Benefits paid	(81.6)	(78.6)	(8.5)	(9.0)
Exchange rate and other	(2.4)	43.2	—	—
Ending projected pension and postretirement benefit obligations	\$ 1,919.2	\$ 1,642.8	\$ 90.7	\$ 83.5
Funded Status:				
Fair value of plan assets (less) greater than projected pension and postretirement benefit obligations	\$ (199.9)	\$ 37.4	\$ (90.7)	\$ (83.5)
Amounts recognized in the balance sheets:				
Noncurrent asset	\$ 13.4	\$ 149.5	\$ —	\$ —
Current liabilities	(5.4)	(8.6)	(7.0)	(7.5)
Noncurrent liabilities	(207.9)	(103.5)	(83.7)	(76.0)
Net amount recognized	\$ (199.9)	\$ 37.4	\$ (90.7)	\$ (83.5)
Amounts recognized in accumulated other comprehensive loss consist of:				
Net actuarial loss	\$ 669.6	\$ 389.5	\$ 15.4	\$ 7.4
Prior service cost (benefit)	17.7	16.5	1.6	(0.6)
Unrecognized net transition obligation	0.1	—	—	—
Net amount recognized, before tax effect	\$ 687.4	\$ 406.0	\$ 17.0	\$ 6.8

The changes in plan assets and benefit obligations recognized in other comprehensive income ("OCI") for our pension plans consisted of the following:

Fiscal	2012	2011	2010
Net actuarial loss	\$ 283.8	\$ 46.0	\$ 114.6
Amortization of net actuarial loss	(2.6)	(2.5)	(0.4)
Prior service cost	4.5	—	0.7
Amortization of prior service cost	(3.0)	(3.1)	(3.6)
Amortization of transition obligation	(0.2)	(0.2)	(0.2)
Exchange rate (loss) gain	(1.2)	6.0	0.3
Total recognized in OCI	\$ 281.3	\$ 46.2	\$ 111.4

[Components of amounts
recognized in other
comprehensive income](#)

The changes in plan assets and benefit obligations recognized in other comprehensive income for our postretirement benefit plans consisted of the following:

Fiscal	2012	2011	2010
Net actuarial loss (gain)	\$ 8.0	\$ (11.5)	\$ 8.4
Prior service cost	1.9	0.3	—
Amortization of prior service cost	0.3	5.1	0.6
Total recognized in OCI	\$ 10.2	\$ (6.1)	\$ 9.0

[Pension and postretirement benefit cost weighted-average assumptions](#)

The weighted-average assumptions used in determining the pension and postretirement benefit obligations in our pension and postretirement plans in fiscal 2012 and 2011 were as follows:

U.S. Plans	Pension Benefits		Other Postretirement Benefits	
	2012	2011	2012	2011
Discount rate	4.85%	5.75%	4.85%	5.75%
Rate of compensation increase	3.00%	3.00%	3.00%	3.00%

Non-U.S. Plans		Pension Benefits	
Fiscal		2012	2011
Discount rate		5.27%	5.88%
Rate of compensation increase		2.97%	3.22%

[Net pension and postretirement benefit cost weighted-average assumptions](#)

The weighted-average assumptions used in determining the net periodic pension and postretirement benefit cost in our pension and postretirement plans in fiscal 2012, 2011 and 2010 were as follows:

U.S. Plans	Pension Benefits			Other Postretirement Benefits		
	2012	2011	2010	2012	2011	2010
Discount rate	5.75%	6.25%	7.25%	5.75%	6.25%	7.25%
Expected return on plan assets	8.00%	8.00%	8.00%	—	—	—
Rate of compensation increase	3.00%	3.25%	3.50%	3.00%	3.25%	3.50%

Non-U.S. Plans		Pension Benefits		
Fiscal		2012	2011	2010
Discount rate		5.88%	5.83%	6.68%
Expected return on plan assets		7.50%	7.50%	7.50%
Rate of compensation increase		3.22%	3.43%	3.43%

[Health care trend rates](#)

The health care cost trend rates used in fiscal 2012 and 2011 were as follows:

Fiscal	Other Postretirement Benefits	
	2012	2011
Health care cost trend assumed for next year	6.73%	8.41%
Ultimate trend rate	4.70%	4.70%
Year ultimate rate is reached	2081	2081

[Effects of a one-percentage-point change in assumed health care cost trend rates](#)

	1 percentage point increase	1 percentage point decrease
Effect on total of service and interest cost components	\$ 0.2	\$ (0.2)
Effect on postretirement benefit obligation	\$ 3.0	\$ (2.8)

[Estimated future benefit payments for pension and postretirement benefit plans](#)

Estimated future benefit payments for our pension and other postretirement benefit plans are expected to be:

Fiscal Year	Pension Benefits	Other Postretirement Benefits
-------------	------------------	-------------------------------

2013	\$	96.9	\$	7.0
2014		81.8		6.7
2015		86.0		6.5
2016		88.5		6.4
2017		92.3		6.3
2018-2022		530.7		30.0

[Pension and postretirement benefit plans asset allocation](#)

The table below sets forth our target asset allocation for fiscal 2012 and the actual allocations at April 1, 2012 and April 3, 2011:

	Target Allocation	Actual Allocation	Actual Allocation
	2012	4/1/2012	4/3/2011
Equity	25% – 60%	41%	40%
Fixed Income	5% – 50%	23%	24%
Absolute Return	5% – 40%	24%	25%
Royalties	0% – 15%	7%	8%
Cash/Other	1% – 10%	5%	3%
Total		100%	100%

[Pension plan assets fair value by asset category](#)

The fair value of our pension plan assets at April 3, 2011 by asset category are as follows:

	Fair Value Measurements Using				
	Level 1	Level 2	Level 3		Total
Equity:					
Long	\$ 266.5	\$ 63.2	\$ —	\$	329.7
Hedged	46.4	165.8	—		212.2
Private Equity / Venture Capital	—	—	133.7		133.7
Total Equity	312.9	229.0	133.7		675.6
Absolute Return:					
Market Sectors	—	186.2	—		186.2
Arbitrage	—	215.1	12.7		227.8
Total Absolute Return	—	401.3	12.7		414.0
Royalties	—	141.0	—		141.0
Fixed Income:					
Investment Grade	287.8	33.6	—		321.4
Non-Investment Grade	—	44.6	40.0		84.6
Total Fixed Income	287.8	78.2	40.0		406.0
Cash/Other	42.7	0.9	—		43.6
Total	\$ 643.4	\$ 850.4	\$ 186.4	\$	1,680.2

The fair value of our pension plan assets at April 1, 2012 by asset category are as follows:

	Fair Value Measurements Using				
	Level 1	Level 2	Level 3		Total
Equity:					
Long	\$ 288.1	\$ 45.1	\$ —	\$	333.2
Hedged	48.6	159.7	0.8		209.1
Private Equity / Venture Capital	—	—	165.8		165.8
Total Equity	336.7	204.8	166.6		708.1
Absolute Return:					
Market Sectors	—	206.0	—		206.0
Arbitrage	—	192.9	12.6		205.5
Total Absolute Return	—	398.9	12.6		411.5
Royalties	—	126.9	—		126.9
Fixed Income:					

Investment Grade	311.7	2.2	—	313.9
Non-Investment Grade	—	41.1	31.7	72.8
Total Fixed Income	311.7	43.3	31.7	386.7
Cash/Other	85.3	0.8	—	86.1
Total	\$ 733.7	\$ 774.7	\$ 210.9	\$ 1,719.3

[Summary of changes in the fair value of the pension plan's Level 3 assets](#)

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended April 3, 2011:

Investment	Balance at March 28, 2010	Realized / Unrealized Gain / (Loss)	Net Purchases / (Redemptions)	Transfers Into / (Out of) Level 3	Balance at April 3, 2011
Private Equity / Venture Capital	\$ 110.4	\$ 13.2	\$ 10.1	\$ —	\$ 133.7
Arbitrage	12.2	(1.3)	1.8	—	12.7
Fixed Income - Non-Investment Grade	—	5.0	0.2	34.8	40.0
Total	\$ 122.6	\$ 16.9	\$ 12.1	\$ 34.8	\$ 186.4

The table below sets forth a summary of changes in the fair value of the pension plan's Level 3 assets for the year ended April 1, 2012:

Investment	Balance at April 3, 2011	Realized / Unrealized Gain / (Loss)	Net Purchases / (Redemptions)	Transfers Into / (Out of) Level 3	Balance at April 1, 2012
Hedged Equity	\$ —	\$ (0.4)	\$ (0.8)	\$ 2.0	\$ 0.8
Private Equity / Venture Capital	133.7	5.5	26.6	—	165.8
Arbitrage	12.7	(3.9)	—	3.8	12.6
Fixed Income - Non-Investment Grade	40.0	2.6	(10.9)	—	31.7
Total	\$ 186.4	\$ 3.8	\$ 14.9	\$ 5.8	\$ 210.9

[Schedule of outlines in participation in multiemployer plans](#)

The following table outlines our participation in multiemployer plans:

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status (a)		FIP/RP Status (b)	Contributions of PCC			Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
		FY2012	FY2011		FY2012	FY2011	FY2010		
IAM National Pension Plan	51-6031295/002 (c)	Green	Green	Not Applicable	\$ 1.0	\$ 1.0	\$ 0.8	No	6/30/2012 8/16/2012
Steelworkers Pension Trust	23-6648508/499	Green	Green	Not Applicable	3.2	3.0	2.4	No	8/3/2012
Boilermaker-Blacksmith National Pension Trust	48-6168020/001 (c)(d)	Yellow	Yellow	Implemented	0.5	0.7	0.4	No Yes	2/14/2014 7/15/2015
Total Contributions:					\$ 4.7	\$ 4.7	\$ 3.6		

(a) Unless otherwise noted in the table, the most recent Pension Protection Act zone status available in fiscal 2012 and fiscal 2011 is for the plan's year-end at December 31, 2011 and 2010, respectively. The zone status is based on information that we received from the plan and is certified by the plan's actuary.

(b) The "FIP/RP Status" column indicates plans for which a Funding Improvement Plan ("FIP") or a Rehabilitation Plan ("RP") is either pending or has been implemented.

(c) The plans zone status was calculated after taking into account IRS approval for an "amortization extension", adjusting future benefit accruals, and electing other funding relief measures made available under the Pension Relief Act of 2010.

(d) Beginning on January 1, 2010, the minimum contribution rate required to be paid by the employers is equal to the base contribution rate in effect, for the collective bargaining agreement in effect on September 30, 2008, multiplied by the following factors over the following five calendar years: 2010 - 135%; 2011 - 170%; 2012 - 205%; 2013 - 240%; after 01/01/2014 - 275%.

Pension Plans, Defined Benefit
[Member]

[Defined Benefit Plan Disclosure \[Line Items\]](#)
[Schedule of costs of retirement plans](#)

The net periodic pension cost for our pension plans consisted of the following components:

Fiscal	2012	2011	2010
Service cost	\$ 36.6	\$ 35.3	\$ 31.7
Interest cost	92.1	91.0	86.6
Expected return on plan assets	(131.5)	(123.5)	(104.6)
Amortization of prior service cost/curtailment gain	3.0	3.1	4.1
Amortization of transition asset	0.2	0.2	0.2
Amortization of net actuarial loss	21.8	18.7	12.6
Net periodic pension cost	<u>\$ 22.2</u>	<u>\$ 24.8</u>	<u>\$ 30.6</u>

Other Postretirement Benefit Plans, Defined Benefit [Member]

[Defined Benefit Plan Disclosure \[Line Items\]](#)
[Schedule of costs of retirement plans](#)

The net postretirement benefit cost of our postretirement benefit plans consisted of the following components:

Fiscal	2012	2011	2010
Service cost	\$ 0.7	\$ 0.8	\$ 1.3
Interest cost	4.6	5.7	8.5
Amortization of prior service cost/curtailment gain	(0.3)	(0.7)	(0.7)
Amortization of net actuarial loss	0.5	0.6	0.7
Net postretirement benefit cost	<u>\$ 5.5</u>	<u>\$ 6.4</u>	<u>\$ 9.8</u>

15. Stock-based Compensation Plans (Details) (USD \$)	12 Months Ended		
	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
<u>Share-based Compensation Arrangement by Share-based Payment Award</u>			
<u>Share-based Compensation Arrangement by Share-based Payment Award, Number of Shares Authorized</u>	30,192,000		
<u>Stock option awards vesting period (in years)</u>	4		
<u>Cash received from exercise of stock options</u>	\$ 96,800,000	\$ 93,300,000	\$ 67,400,000
<u>Tax benefit related to exercise of stock options</u>	38,100,000	38,500,000	30,000,000
<u>Shares available for future grants</u>	3,915,000		
Stock Option Plans [Member]			
<u>Share-based Compensation Arrangement by Share-based Payment Award</u>			
<u>Stock option awards vesting rights</u>	25% each year over four years from the date of grant		
<u>Stock option awards annual vesting percentage</u>	25.00%		
<u>Stock option awards vesting period (in years)</u>	4		
<u>Stock option awards expiration period (in years)</u>	10		
<u>Share-based Compensation Arrangement by Share-based Payment Award, Compensation Cost</u>	39,700,000	37,900,000	32,300,000
Deferred Stock Unit Awards [Member]			
<u>Share-based Compensation Arrangement by Share-based Payment Award</u>			
<u>Stock option awards vesting period (in years)</u>	3		
<u>Stock Issued During Period, Value, Share-based Compensation</u>	125,000	125,000	125,000
<u>Share-based Compensation Arrangement by Share-based Payment Award, Compensation Cost</u>	900,000	1,000,000	700,000
Employee Stock Purchase Plan [Member]			
<u>Share-based Compensation Arrangement by Share-based Payment Award</u>			
<u>Maximum employee subscription percentage</u>	10.00%		
<u>Purchase price as percentage of the lower of fair market value of the stock on the date of grant or on date of purchase</u>	85.00%		
<u>Share-based Compensation Arrangement by Share-based Payment Award, Compensation Cost</u>	7,600,000	8,200,000	7,300,000
<u>Shares available for future grants</u>	1,735,000		
<u>Shares issued under 2008 ESPP</u>	215,000		
Deferred Compensation, Share-based Payments [Member]			
<u>Share-based Compensation Arrangement by Share-based Payment Award</u>			
<u>Maximum employee subscription percentage</u>	100.00%		

<u>Deferred compensation plan maximum non-employee subscription percentage</u>	100.00%	
<u>Deferred Compensation Liability, Current and Noncurrent Phantom Stock Units [Member]</u>	66,500,000	67,400,000
<u>Share-based Compensation Arrangement by Share-based Payment Award</u>		
<u>Deferred compensation related to Phantom Stock Units included in additional paid-in capital</u>	9,000,000	8,300,000
<u>Share-based Compensation Arrangement by Share-based Payment Award, Compensation Cost</u>	\$ 200,000	\$ 300,000 \$ 800,000

21. Condensed Consolidated Financial Information (Details) (USD \$) In Millions, unless otherwise specified	12 Months Ended			
	Apr. 01, 2012	Apr. 01, 2012 Guarantor Subsidiaries [Member]	Apr. 01, 2012 Senior Notes [Member]	Apr. 03, 2011 Senior Notes [Member]
Condensed Financial Statements, Captions [Line Items]				
Senior Notes	\$ 200			
Debt Instrument, Interest Rate, Stated Percentage			5.60%	5.60%
Guarantor Subsidiaries Percent		100.00%		

11. Earnings per Share (Tables)

Earnings Per Share [Abstract]

Net income used to compute earnings per share

Weighted average number of shares outstanding used to compute earnings per share

12 Months Ended Apr. 01, 2012

Net income and weighted average number of shares outstanding used to compute earnings per share were as follows:

Fiscal	2012	2011	2010
Amounts attributable to PCC shareholders:			
Net income from continuing operations	\$ 1,230.5	\$ 1,009.4	\$ 925.1
Net (loss) income from discontinued operations	(6.4)	4.1	(3.3)
Net income attributable to PCC shareholders	<u>\$ 1,224.1</u>	<u>\$ 1,013.5</u>	<u>\$ 921.8</u>

Fiscal	2012	2011	2010
Weighted average shares outstanding-basic	144.4	142.7	140.7
Effect of dilutive stock-based compensation plans	1.2	1.2	1.4
Weighted average shares outstanding-diluted	<u>145.6</u>	<u>143.9</u>	<u>142.1</u>

**1. Summary of Significant
Accounting Policies, Income
Taxes (Details)**

**12 Months Ended
Apr. 01, 2012**

[Income Tax Examination \[Line Items\]](#)

[Income Tax Examination, Likelihood of Favorable Settlement, Percentage](#) 50.00%

**10. Income Taxes,
Reconciliation of Effective
Tax Rate (Details)**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Income Tax Disclosure [Abstract]

<u>Statutory federal rate</u>	35.00%	35.00%	35.00%
<u>Effect of:</u>			
<u>State taxes, net of federal benefit</u>	1.80%	2.10%	2.00%
<u>Domestic manufacturing deduction</u>	(2.40%)	(2.40%)	(1.30%)
<u>Earnings taxed at different rates in foreign jurisdictions</u>	(1.00%)	(0.90%)	(1.40%)
<u>Other</u>	(0.60%)	(0.30%)	0.10%
<u>Effective rate</u>	32.80%	33.50%	34.40%

**7. Goodwill and Acquired
Intangibles, Estimated
Amortization Expense
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012

Projected amortization expense for finite-lived intangible assets:

<u>Future Amortization Expense 2013</u>	\$ 15.1
<u>Future Amortization Expense 2014</u>	15.0
<u>Future Amortization Expense 2015</u>	12.8
<u>Future Amortization Expense 2016</u>	11.6
<u>Future Amortization Expense 2017</u>	\$ 5.9

**1. Summary of Significant
Accounting Policies,
Property, Plant And
Equipment (Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Property, Plant and Equipment

Depreciation expense \$ 154.6 \$ 148.3 \$ 139.2

Building and Building Improvements [Member]

Property, Plant and Equipment

Estimated service lives, minimum (in years) 20

Estimated service lives, maximum (in years) 40

Machinery and Equipment [Member]

Property, Plant and Equipment

Estimated service lives, minimum (in years) 3

Estimated service lives, maximum (in years) 12

Computer Hardware And Software [Member]

Property, Plant and Equipment

Estimated service lives, minimum (in years) 3

Estimated service lives, maximum (in years) 7

2. Recently Issued Accounting Standards

**12 Months Ended
Apr. 01, 2012**

[New Accounting
Pronouncements and
Changes in Accounting
Principles \[Abstract\]
Recently Issued Accounting
Standards](#)

Recently issued accounting standards

In December 2011, the Financial Accounting Standards Board ("FASB") issued guidance increasing disclosures regarding offsetting assets and liabilities. For derivatives and financial assets and liabilities, the amendments require disclosure of gross asset and liability amounts, amounts offset on the balance sheet, and amounts subject to the offsetting requirements but not offset on the balance sheet. The guidance is effective for the Company beginning the first quarter of fiscal 2014 and is to be applied retrospectively. As this guidance only requires expanded disclosures, the adoption of this guidance is not expected to have a significant impact on our consolidated financial position, results of operations, or cash flows.

In June 2011, the FASB issued guidance that requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income in either a single continuous statement or two separate but consecutive statements. This guidance does not change the items that must be reported in OCI. In December 2011, the FASB deferred some aspects of the June guidance that relate to the presentation of reclassification adjustments. The FASB is considering whether to present the effects of reclassifications out of accumulated other comprehensive income on the components of net income and other comprehensive income on the face of the financial statements. The guidance is effective for the Company beginning the first quarter of fiscal 2013 and is to be applied retrospectively. The Company is currently evaluating how it will report comprehensive income, but either method permitted will constitute a change in the Company's financial statement presentation.

In September 2011, the FASB issued guidance to aid in an entity's assessment of goodwill and whether it is necessary to perform the two-step quantitative goodwill impairment test. Under this guidance, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amendments include a number of events and circumstances for an entity to consider in conducting the qualitative assessment. This pronouncement will be effective in the first quarter of fiscal 2013. As this guidance only modifies the requirements of impairment testing, the adoption will not impact our consolidated financial position, results of operations, or cash flows.

In September 2011, the FASB also issued guidance that increases the quantitative and qualitative disclosures an employer is required to provide about its participation in significant multiemployer plans that offer pension or other postretirement benefits. The objective of this guidance is to enhance the transparency of disclosures about the significant multiemployer plans in which an employer participates, the level of the employer's participation in those plans, the financial health of the plans, and the nature of the employer's commitments to the plans. This pronouncement has been adopted and disclosure is included within Note 18—Pension and Other Postretirement Benefit Plans. As this guidance only requires expanded disclosures, the adoption did not impact our consolidated financial position, results of operations, or cash flows.

In May 2011, the FASB issued guidance that amends existing measurement guidance and expands disclosure requirements for fair value measurements, particularly for "Level 3" (as defined in the accounting guidance) inputs. This guidance was effective in the fourth quarter of fiscal 2012. The adoption of this guidance did not have a significant impact on our consolidated financial position, results of operations, or cash flows.

In January 2010, the FASB issued guidance that requires certain disclosures and clarifies existing disclosure requirements for fair value measurements. Specifically, the changes require

disclosure of transfers into and out of “Level 1” and “Level 2” (as defined in the accounting guidance) fair value measurements, and also require more detailed disclosure about the activity within Level 3 fair value measurements. This guidance was effective for the Company in the fourth quarter of fiscal 2010, except for disclosures about purchases, sales, issuances and settlements of Level 3 assets and liabilities, which was effective in the first quarter of fiscal 2012. As this guidance only requires expanded disclosures, the adoption did not impact our consolidated financial position, results of operations, or cash flows.

In October 2009, the FASB issued amendments to the accounting and disclosure for revenue recognition for multiple element arrangements. These amendments modify the criteria for recognizing revenue and require enhanced disclosures for multiple element-deliverable revenue arrangements. This guidance was effective in the first quarter of fiscal 2012. The adoption of this guidance did not have a significant impact on our consolidated financial position, results of operations, or cash flows.

8. Accrued Liabilities

(Details) (USD \$)

In Millions, unless otherwise
specified

Apr. 01, 2012 Apr. 03, 2011

Accrued Liabilities, Current [Abstract]

<u>Salaries and wages payable</u>	\$ 154.3	\$ 145.1
<u>Customer deposits</u>	41.7	47.6
<u>Other accrued liabilities</u>	139.2	111.3
<u>Total</u>	\$ 335.2	\$ 304.0

**19. Segment Information
(Tables)**

**12 Months Ended
Apr. 01, 2012**

[Segment Reporting \[Abstract\]](#)
[Segment reporting information](#)

Segment results are as follows:

Fiscal	2012	2011	2010
Net sales:			
Investment Cast Products	\$ 2,326.9	\$ 2,095.6	\$ 1,851.3
Forged Products	3,189.5	2,779.7	2,283.0
Fastener Products	1,698.2	1,344.8	1,324.9
Consolidated net sales	<u>\$ 7,214.6</u>	<u>\$ 6,220.1</u>	<u>\$ 5,459.2</u>
Intercompany sales activity ⁽¹⁾ :			
Investment Cast Products ⁽²⁾	\$ 295.5	\$ 238.8	\$ 199.1
Forged Products ⁽³⁾	927.4	740.2	703.4
Fastener Products ⁽⁴⁾	115.9	99.4	84.9
Total intercompany sales activity	<u>\$ 1,338.8</u>	<u>\$ 1,078.4</u>	<u>\$ 987.4</u>
Segment operating income (loss):			
Investment Cast Products	\$ 766.4	\$ 665.5	\$ 560.0
Forged Products	686.2	539.4	529.7
Fastener Products	488.1	411.0	440.2
Corporate expense	(123.5)	(113.1)	(106.6)
Total segment operating income	1,817.2	1,502.8	1,423.3
Interest expense, net	5.2	9.0	13.1
Consolidated income before income taxes and equity in earnings of unconsolidated affiliates	<u>\$ 1,812.0</u>	<u>\$ 1,493.8</u>	<u>\$ 1,410.2</u>
Depreciation and amortization expense:			
Investment Cast Products	\$ 35.1	\$ 34.9	\$ 35.7
Forged Products	88.1	87.7	75.2
Fastener Products	40.4	34.7	34.3
Corporate	6.2	6.5	6.6
Consolidated depreciation and amortization expense	<u>\$ 169.8</u>	<u>\$ 163.8</u>	<u>\$ 151.8</u>
Capital expenditures:			
Investment Cast Products	\$ 48.1	\$ 28.5	\$ 28.5
Forged Products	75.4	65.5	81.7
Fastener Products	39.1	26.4	16.8
Corporate	29.5	—	42.5
Consolidated capital expenditures	<u>\$ 192.1</u>	<u>\$ 120.4</u>	<u>\$ 169.5</u>
Total assets:			
Investment Cast Products	\$ 1,372.6	\$ 1,301.9	

Forged Products ⁽⁵⁾	4,869.3	4,174.3
Fastener Products	3,441.5	2,110.3
Corporate ⁽⁶⁾	761.8	1,311.6
Discontinued operations	113.6	57.8
Consolidated total assets	\$ 10,558.8	\$ 8,955.9

- (1) Intercompany sales activity consists of each segment's total intercompany sales activity, including intercompany sales activity within a segment and between segments.
- (2) Investment Cast Products: Includes intersegment sales activity of \$47.5 million, \$33.2 million and \$26.3 million for fiscal 2012, 2011 and 2010, respectively.
- (3) Forged Products: Includes intersegment sales activity of \$84.2 million, \$65.2 million and \$64.1 million for fiscal 2012, 2011 and 2010, respectively.
- (4) Fastener Products: Includes intersegment sales activity of \$4.5 million, \$4.2 million and \$2.8 million for fiscal 2012, 2011 and 2010, respectively.
- (5) Forged Products assets include \$441.5 million and \$410.5 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.
- (6) Corporate assets consist principally of cash and cash equivalents, property, plant & equipment and other assets.

Net direct sales to General Electric

Net direct sales to General Electric were 15.4 percent, 12.5 percent and 14.0 percent of total sales in fiscal 2012, 2011 and 2010, respectively, as follows:

Fiscal	2012	2011	2010
Investment Cast Products	\$ 558.9	\$ 523.2	\$ 494.5
Forged Products	464.2	224.5	243.6
Fastener Products	85.1	27.5	26.7
	\$ 1,108.2	\$ 775.2	\$ 764.8

Geographic information regarding net sales and long-lived assets

Geographic information regarding our net sales and long-lived assets is as follows:

Fiscal	2012	2011	2010
United States	\$ 5,952.7	\$ 5,161.8	\$ 4,476.2
United Kingdom	796.2	672.1	673.4
Other countries	465.7	386.2	309.6
Net sales	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2
United States	\$ 1,211.6	\$ 1,056.9	
United Kingdom	165.9	172.8	
Other countries	104.2	102.4	
Assets of discontinued operations	57.6	31.1	
Total tangible long-lived assets ⁽¹⁾	\$ 1,539.3	\$ 1,363.2	

- (1) Long-lived assets exclude \$442.8 million and \$411.9 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.

**Quarterly Financial
Information**

[Quarterly Financial Information
Disclosure \[Abstract\]](#)

[Quarterly Financial Information](#)

**12 Months Ended
Apr. 01, 2012**

Quarterly Financial Information ⁽¹⁾

(Unaudited)
(In millions, except per share data)

2012	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 1,675.3	\$ 1,784.7	\$ 1,805.9	\$ 1,948.7
Gross profit	\$ 525.0	\$ 550.9	\$ 572.3	\$ 617.1
Net income	\$ 286.5	\$ 295.0	\$ 307.7	\$ 336.6
Net income (loss) attributable to PCC shareholders:				
Continuing operations	\$ 285.6	\$ 296.5	\$ 310.0	\$ 338.4
Discontinued operations	0.4	(1.8)	(2.7)	(2.3)
	<u>\$ 286.0</u>	<u>\$ 294.7</u>	<u>\$ 307.3</u>	<u>\$ 336.1</u>
Net income (loss) per share- basic:				
Continuing operations	1.99	2.06	2.15	2.33
Discontinued operations	—	(0.01)	(0.02)	(0.01)
	<u>1.99</u>	<u>2.05</u>	<u>2.13</u>	<u>2.32</u>
Net income (loss) per share- diluted:				
Continuing operations	1.97	2.04	2.13	2.31
Discontinued operations	—	(0.01)	(0.02)	(0.01)
	<u>1.97</u>	<u>2.03</u>	<u>2.11</u>	<u>2.30</u>
Cash dividends per share	0.03	0.03	0.03	0.03
Common stock prices:				
High	165.99	173.98	178.98	179.47
Low	140.42	136.04	139.87	162.07
End	165.84	155.46	164.79	172.90
2011	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 1,446.8	\$ 1,508.1	\$ 1,590.3	\$ 1,674.9
Gross profit	\$ 450.1	\$ 460.9	\$ 488.6	\$ 493.8
Net income	\$ 235.4	\$ 251.3	\$ 256.9	\$ 271.2
Net income (loss) attributable to PCC shareholders:				
Continuing operations	\$ 236.1	\$ 243.6	\$ 258.7	\$ 271.0
Discontinued operations	(1.1)	7.4	(2.2)	—
	<u>\$ 235.0</u>	<u>\$ 251.0</u>	<u>\$ 256.5</u>	<u>\$ 271.0</u>

Net income (loss) per share- basic:				
Continuing operations	1.66	1.71	1.81	1.89
Discontinued operations	(0.01)	0.05	(0.01)	—
	1.65	1.76	1.80	1.89
Net income (loss) per share- diluted:				
Continuing operations	1.65	1.70	1.80	1.87
Discontinued operations	(0.01)	0.05	(0.02)	—
	1.64	1.75	1.78	1.87
Cash dividends per share	0.03	0.03	0.03	0.03
Common stock prices:				
High	135.40	131.74	145.40	151.96
Low	102.46	100.99	126.90	136.00
End	108.56	131.38	139.21	149.61

(1) *Historical amounts have been restated to present certain businesses as discontinued operations.*

21. Condensed Consolidated Financial Information

12 Months Ended
Apr. 01, 2012

Condensed Consolidated Financial Information

[Abstract]

Condensed Consolidating Financial Information

Condensed consolidating financial information

Certain of our subsidiaries guarantee our registered securities consisting of \$200 million of 5.6% Senior Notes due in fiscal 2014. The following condensed consolidating financial information presents, in separate columns, financial information for (i) Precision Castparts Corp. (on a parent only basis) with its investment in its subsidiaries recorded under the equity method, (ii) guarantor subsidiaries that guarantee the Company's public notes, with any investments in non-guarantor subsidiaries recorded under the equity method, (iii) direct and indirect non-guarantor subsidiaries on a combined basis, (iv) the eliminations necessary to arrive at the information for the Company and its subsidiaries on a consolidated basis, and (v) the Company on a consolidated basis, in each case for balance sheets as of April 1, 2012 and April 3, 2011, statements of income and statements of cash flows for the fiscal years ended April 1, 2012, April 3, 2011, and March 28, 2010. The public notes are fully and unconditionally guaranteed on a joint and several basis by each guarantor subsidiary. The guarantor subsidiaries include the majority of our domestic subsidiaries within the Investment Cast Products, Forged Products and Fastener Products segments that are 100% owned, directly or indirectly, by the Company within the meaning of Rule 3-10(h)(1) of Regulation S-X. There are no contractual restrictions limiting transfers of cash from guarantor and non-guarantor subsidiaries to the parent company, Precision Castparts Corp. The condensed consolidating financial information is presented herein, rather than separate financial statements for each of the guarantor subsidiaries, because guarantors are 100% owned and the guarantees are full and unconditional, joint and several.

The parent company had positive cash flows from operations for the year ended April 1, 2012. The positive operating cash flows are due to a variety of factors, including timing differences on intercompany charges from the parent to the subsidiaries as those charges are often settled with subsidiaries prior to the payment to our third party vendors, the application of tax overpayments from the prior year's tax returns to reduce quarterly estimated tax payments, and the tax benefit on the book expense recorded for stock based compensation expense. In addition, a significant portion of the parent Company's expenses, such as stock based compensation expense, do not result in a current period cash outflow.

Condensed Consolidating Statements of Income

Year Ended April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 6,026.3	\$ 1,512.8	\$ (324.5)	\$7,214.6
Costs and expenses:					
Cost of goods sold	16.6	4,097.3	1,159.9	(324.5)	4,949.3
Selling and administrative expenses	97.1	268.4	82.6	—	448.1
Other expense (income)	1.2	(5.7)	4.5	—	—
Interest (income) expense, net	(51.6)	64.1	(7.3)	—	5.2
Equity in earnings of subsidiaries	(1,256.5)	(79.9)	—	1,336.4	—
Total costs and expenses	(1,193.2)	4,344.2	1,239.7	1,011.9	5,402.6
Income before income tax and equity in earnings of unconsolidated affiliates	1,193.2	1,682.1	273.1	(1,336.4)	1,812.0

Income tax benefit (expense)	30.9	(558.9)	(66.4)	—	(594.4)
Equity in earnings of unconsolidated affiliates	—	1.4	13.2	—	14.6
Net income from continuing operations	1,224.1	1,124.6	219.9	(1,336.4)	1,232.2
Net income (loss) from discontinued operations	—	1.5	(7.9)	—	(6.4)
Net income	1,224.1	1,126.1	212.0	(1,336.4)	1,225.8
Net income attributable to noncontrolling interest	—	—	(1.7)	—	(1.7)
Net income attributable to PCC	<u>\$ 1,224.1</u>	<u>\$ 1,126.1</u>	<u>\$ 210.3</u>	<u>\$ (1,336.4)</u>	<u>\$ 1,224.1</u>

Condensed Consolidating Statements of Income

Year Ended April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 5,227.5	\$ 1,273.8	\$ (281.2)	\$ 6,220.1
Costs and expenses:					
Cost of goods sold	16.9	3,586.4	1,004.6	(281.2)	4,326.7
Selling and administrative expenses	86.8	230.0	73.8	—	390.6
Other expense (income)	0.9	(3.3)	2.4	—	—
Interest (income) expense, net	(48.4)	61.0	(3.6)	—	9.0
Equity in earnings of subsidiaries	(1,043.3)	(38.3)	—	1,081.6	—
Total costs and expenses	(987.1)	3,835.8	1,077.2	800.4	4,726.3
Income before income tax and equity in earnings of unconsolidated affiliates	987.1	1,391.7	196.6	(1,081.6)	1,493.8
Income tax benefit (expense)	26.4	(473.3)	(52.8)	—	(499.7)
Equity in earnings of unconsolidated affiliates	—	0.8	15.8	—	16.6
Net income from continuing operations	1,013.5	919.2	159.6	(1,081.6)	1,010.7
Net income (loss) from discontinued operations	—	8.2	(4.1)	—	4.1
Net income	1,013.5	927.4	155.5	(1,081.6)	1,014.8
Net income attributable to noncontrolling interest	—	—	(1.3)	—	(1.3)
Net income attributable to PCC	<u>\$ 1,013.5</u>	<u>\$ 927.4</u>	<u>\$ 154.2</u>	<u>\$ (1,081.6)</u>	<u>\$ 1,013.5</u>

Condensed Consolidating Statements of Income

Year Ended March 28, 2010	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
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Net sales	\$	—	\$ 4,544.1	\$ 1,105.5	\$ (190.4)	\$ 5,459.2
Costs and expenses:						
Cost of goods sold		12.6	3,021.9	824.7	(190.4)	3,668.8
Selling and administrative expenses		84.8	196.4	85.9	—	367.1
Other (income) expense		(0.5)	(2.9)	3.4	—	—
Interest (income) expense, net		(45.8)	61.5	(2.6)	—	13.1
Equity in earnings of subsidiaries		(913.9)	(8.2)	—	922.1	—
Total costs and expenses		(862.8)	3,268.7	911.4	731.7	4,049.0
Income before income tax and equity in earnings of unconsolidated affiliates		862.8	1,275.4	194.1	(922.1)	1,410.2
Income tax benefit (expense)		59.0	(505.5)	(39.2)	—	(485.7)
Equity in earnings of unconsolidated affiliates		—	—	1.4	—	1.4
Net income from continuing operations		921.8	769.9	156.3	(922.1)	925.9
Net income (loss) from discontinued operations		—	5.1	(8.4)	—	(3.3)
Net income		921.8	775.0	147.9	(922.1)	922.6
Net income attributable to noncontrolling interest		—	(0.5)	(0.3)	—	(0.8)
Net income attributable to PCC	\$	921.8	\$ 774.5	\$ 147.6	\$ (922.1)	\$ 921.8

Condensed Consolidating Balance Sheets

April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 452.8	\$ 17.6	\$ 228.3	\$ —	\$ 698.7
Receivables, net	44.3	4,008.6	252.4	(3,116.9)	1,188.4
Inventories	—	1,539.6	278.0	—	1,817.6
Prepaid expenses and other current assets	4.4	14.1	11.1	—	29.6
Income tax receivable	22.1	—	—	(14.2)	7.9
Deferred income taxes	8.8	—	6.1	(14.9)	—
Discontinued operations	—	39.7	101.5	(97.6)	43.6
Total current assets	532.4	5,619.6	877.4	(3,243.6)	3,785.8
Property, plant and equipment, net	1.4	1,041.6	279.2	—	1,322.2
Goodwill	—	2,935.8	578.7	—	3,514.5
Deferred income taxes	121.8	—	—	(121.8)	—
Investments in subsidiaries	11,340.1	548.4	—	(11,888.5)	—
Other assets	108.8	1,286.2	471.3	—	1,866.3
Discontinued operations	—	23.3	46.7	—	70.0
	<u>\$12,104.5</u>	<u>\$ 11,454.9</u>	<u>\$ 2,253.3</u>	<u>\$ (15,253.9)</u>	<u>\$10,558.8</u>

Liabilities and Equity**Current liabilities:**

Long-term debt currently due	\$ —	\$ 0.3	\$ 0.2	\$ —	\$ 0.5
Accounts payable	3,290.4	527.8	111.4	(3,214.4)	715.2
Accrued liabilities	26.7	247.5	62.1	(1.1)	335.2
Income taxes payable	—	—	14.2	(14.2)	—
Deferred income taxes	—	16.3	—	(14.9)	1.4
Discontinued operations	—	6.2	12.4	—	18.6
Total current liabilities	3,317.1	798.1	200.3	(3,244.6)	1,070.9
Long-term debt	201.6	0.3	5.8	—	207.7
Deferred income taxes	—	339.4	41.5	(121.8)	259.1
Pension and other postretirement benefit obligations	204.4	136.4	18.1	—	358.9
Other long-term liabilities	16.6	228.0	35.0	—	279.6
Discontinued operations	—	3.1	14.7	—	17.8
Commitments and contingencies					
Total equity	8,364.8	9,949.6	1,937.9	(11,887.5)	8,364.8
	<u>\$12,104.5</u>	<u>\$ 11,454.9</u>	<u>\$ 2,253.3</u>	<u>\$(15,253.9)</u>	<u>\$10,558.8</u>

Condensed Consolidating Balance Sheets

April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 940.2	\$ 11.6	\$ 207.2	\$ —	\$1,159.0
Receivables, net	53.8	3,608.9	125.2	(2,809.2)	978.7
Inventories	—	1,180.5	278.9	—	1,459.4
Prepaid expenses and other current assets	2.6	9.0	9.4	—	21.0
Income tax receivable	33.6	—	—	(13.6)	20.0
Deferred income taxes	9.6	—	4.8	(14.4)	—
Discontinued operations	—	6.5	100.0	(94.0)	12.5
Total current assets	1,039.8	4,816.5	725.5	(2,931.2)	3,650.6
Property, plant and equipment, net	1.3	909.8	283.7	—	1,194.8
Goodwill	—	2,352.2	537.0	—	2,889.2
Deferred income taxes	75.2	—	—	(75.2)	—
Investments in subsidiaries	9,269.6	414.2	—	(9,683.8)	—
Other assets	163.3	523.2	489.5	—	1,176.0
Discontinued operations	—	28.5	16.6	0.2	45.3
	<u>\$10,549.2</u>	<u>\$ 9,044.4</u>	<u>\$ 2,052.3</u>	<u>\$(12,690.0)</u>	<u>\$8,955.9</u>
Liabilities and Equity					
Current liabilities:					
Long-term debt currently due	\$ 14.2	\$ 0.3	\$ 0.2	\$ —	\$ 14.7

Accounts payable	2,949.6	441.7	105.2	(2,888.7)	607.8
Accrued liabilities	28.5	219.7	56.9	(1.1)	304.0
Income taxes payable	—	—	13.6	(13.6)	—
Deferred income taxes	—	23.7	—	(14.4)	9.3
Discontinued operations	—	19.6	1.0	(14.4)	6.2
Total current liabilities	2,992.3	705.0	176.9	(2,932.2)	942.0
Long-term debt	215.4	0.6	5.9	—	221.9
Deferred income taxes	—	205.9	63.5	(75.0)	194.4
Pension and other postretirement benefit obligations	163.9	87.5	1.1	—	252.5
Other long-term liabilities	13.1	159.1	8.4	—	180.6
Discontinued operations	—	—	—	—	—
Commitments and contingencies					
Total equity	7,164.5	7,886.3	1,796.5	(9,682.8)	7,164.5
	<u>\$10,549.2</u>	<u>\$ 9,044.4</u>	<u>\$ 2,052.3</u>	<u>\$(12,690.0)</u>	<u>\$8,955.9</u>

Condensed Consolidating Statements of Cash Flows

Year Ended April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net cash provided by operating activities	\$ 34.2	\$ 878.3	\$ 125.8	\$ —	\$ 1,038.3
Acquisitions of businesses, net of cash acquired	(944.0)	(431.2)	(48.7)	—	(1,423.9)
Capital expenditures	(0.5)	(167.2)	(24.4)	—	(192.1)
Intercompany advances	—	(310.0)	8.4	301.6	—
Intercompany loans	17.2	—	—	(17.2)	—
Other investing activities, net	—	35.5	(9.1)	—	26.4
Net cash provided (used) by investing activities of discontinued operations	—	0.5	(0.6)	0.1	—
Net cash used by investing activities	(927.3)	(872.4)	(74.4)	284.5	(1,589.6)
Net change in long-term debt	(28.6)	0.1	(0.1)	—	(28.6)
Common stock issued	122.1	—	—	—	122.1
Excess tax benefits from share-based payment arrangements	29.6	—	—	—	29.6
Cash dividends	(17.3)	—	—	—	(17.3)
Intercompany advances	301.7	—	—	(301.7)	—
Intercompany loans	—	—	(40.1)	40.1	—
Other financing activities, net	(1.8)	—	(0.6)	—	(2.4)
Net cash provided by financing activities of discontinued operations	—	—	22.9	(22.9)	—
Net cash provided (used) by financing activities	405.7	0.1	(17.9)	(284.5)	103.4
Effect of exchange rate changes on cash and cash equivalents	—	—	(12.4)	—	(12.4)

Net increase in cash and cash equivalents	(487.4)	6.0	21.1	—	(460.3)
Cash and cash equivalents at beginning of year	940.2	11.6	207.2	—	1,159.0
Cash and cash equivalents at end of year	<u>\$ 452.8</u>	<u>\$ 17.6</u>	<u>\$ 228.3</u>	<u>\$ —</u>	<u>\$ 698.7</u>

Condensed Consolidating Statements of Cash Flows

Year Ended April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	\$ (0.1)	\$ 933.6	\$ 104.5	\$ —	\$ 1,038.0
Acquisitions of businesses, net of cash acquired	(25.0)	(12.2)	—	—	(37.2)
Investment in unconsolidated affiliates	(7.2)	—	(11.2)	7.2	(11.2)
Capital expenditures	—	(86.9)	(33.5)	—	(120.4)
Intercompany advances	—	(851.6)	9.6	842.0	—
Intercompany loans	(7.2)	—	—	7.2	—
Other investing activities, net	14.9	25.5	(6.8)	—	33.6
Net cash provided by investing activities of discontinued operations	—	3.2	5.9	(6.8)	2.3
Net cash used by investing activities	(24.5)	(922.0)	(36.0)	849.6	(132.9)
Net change in long-term debt	(14.7)	0.1	(0.1)	—	(14.7)
Common stock issued	116.3	—	—	—	116.3
Excess tax benefits from share-based payment arrangements	30.3	—	—	—	30.3
Cash dividends	(17.1)	—	—	—	(17.1)
Intercompany advances	835.2	—	—	(835.2)	—
Intercompany loans	—	(1.4)	8.6	(7.2)	—
Other financing activities, net	—	—	6.0	(7.2)	(1.2)
Net cash provided (used) by financing activities	950.0	(1.3)	14.5	(849.6)	113.6
Effect of exchange rate changes on cash and cash equivalents	—	—	27.9	—	27.9
Net increase in cash and cash equivalents	925.4	10.3	110.9	—	1,046.6
Cash and cash equivalents at beginning of year	14.8	1.3	96.3	—	112.4
Cash and cash equivalents at end of year	<u>\$ 940.2</u>	<u>\$ 11.6</u>	<u>\$ 207.2</u>	<u>\$ —</u>	<u>\$ 1,159.0</u>

Condensed Consolidating Statements of Cash Flows

Year Ended March 28, 2010	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	\$ (112.6)	\$ 864.2	\$ 158.2	\$ —	\$ 909.8
Acquisitions of businesses, net of cash acquired	(864.2)	—	—	—	(864.2)
Investment in unconsolidated affiliates	—	—	(351.0)	—	(351.0)
Capital expenditures	(0.3)	(91.9)	(77.3)	—	(169.5)
Intercompany advances	(150.4)	(740.9)	25.0	866.3	—
Intercompany loans	(73.6)	—	—	73.6	—
Other investing activities, net	24.8	(11.6)	(6.3)	—	6.9
Net cash (used) provided by investing activities of discontinued operations	—	(13.0)	4.2	10.8	2.0
Net cash used by investing activities	(1,063.7)	(857.4)	(405.4)	950.7	(1,375.8)
Net change in long-term debt	(54.0)	(6.4)	5.1	—	(55.3)
Common stock issued	89.0	—	—	—	89.0
Excess tax benefits from share-based payment arrangements	23.1	—	—	—	23.1
Cash dividends	(16.9)	—	—	—	(16.9)
Intercompany advances	726.7	—	—	(726.7)	—
Intercompany loans	—	—	73.6	(73.6)	—
Capital contributions	—	—	150.4	(150.4)	—
Net cash used by financing activities of discontinued operations	—	(1.0)	—	—	(1.0)
Net cash provided (used) by financing activities	767.9	(7.4)	229.1	(950.7)	38.9
Effect of exchange rate changes on cash and cash equivalents	—	—	(15.0)	—	(15.0)
Net decrease in cash and cash equivalents	(408.4)	(0.6)	(33.1)	—	(442.1)
Cash and cash equivalents at beginning of year	423.2	1.9	129.4	—	554.5
Cash and cash equivalents at end of year	\$ 14.8	\$ 1.3	\$ 96.3	\$ —	\$ 112.4

**21. Condensed Consolidated
Financial Information,
Statements of Cash Flows
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01,
2012** **Apr. 03,
2011** **Mar. 28,
2010**

Condensed Financial Statements, Captions [Line Items]

<u>Acquisitions of businesses, net of cash acquired</u>	\$ (1,423.9)	\$ (37.2)	\$ (864.2)
<u>Payments to Acquire Businesses and Interest in Affiliates</u>	0	(11.2)	(351.0)
<u>Capital expenditures</u>	(192.1)	(120.4)	(169.5)
<u>Payments for (Proceeds from) Other Investing Activities</u>	26.4	16.0	(17.9)
<u>Net cash provided by investing activities of discontinued operations</u>	0	2.3	2.0
<u>Net cash used by investing activities</u>	(1,589.6)	(132.9)	(1,375.8)
<u>Net change in long-term debt</u>	(28.6)	(14.7)	(55.3)
<u>Common stock issued</u>	122.1	116.3	89.0
<u>Excess Tax Benefit from Share-based Compensation, Financing Activities</u>	(29.6)	(30.3)	(23.1)
<u>Payments of Dividends</u>	17.3	17.1	16.9
<u>Other financing activities, net</u>	(2.4)	(1.2)	0
<u>Net cash used by financing activities of discontinued operations</u>	0	0	(1.0)
<u>Net cash provided by financing activities</u>	103.4	113.6	38.9
<u>Effect of exchange rate changes on cash and cash equivalents</u>	(12.4)	27.9	(15.0)
<u>Net (decrease) increase in cash and cash equivalents</u>	(460.3)	1,046.6	(442.1)
<u>Cash and cash equivalents at beginning of year</u>	1,159.0	112.4	554.5
<u>Cash and cash equivalents at end of year</u>	698.7	1,159.0	112.4

Consolidated [Member]

Condensed Financial Statements, Captions [Line Items]

<u>Net cash provided (used) by operating activities</u>	1,038.3	1,038.0	909.8
<u>Acquisitions of businesses, net of cash acquired</u>	(1,423.9)	(37.2)	(864.2)
<u>Payments to Acquire Businesses and Interest in Affiliates</u>		(11.2)	(351.0)
<u>Capital expenditures</u>	(192.1)	(120.4)	(169.5)
<u>Intercompany advances</u>	0	0	0
<u>Intercompany loans</u>	0	0	0
<u>Payments for (Proceeds from) Other Investing Activities</u>	26.4	33.6	6.9
<u>Net cash provided by investing activities of discontinued operations</u>	0	2.3	2.0
<u>Net cash used by investing activities</u>	(1,589.6)	(132.9)	(1,375.8)
<u>Net change in long-term debt</u>	(28.6)	(14.7)	(55.3)
<u>Common stock issued</u>	122.1	116.3	89.0
<u>Excess Tax Benefit from Share-based Compensation, Financing Activities</u>	29.6	30.3	23.1
<u>Payments of Dividends</u>	(17.3)	17.1	(16.9)
<u>Intercompany advances</u>	0	0	0
<u>Intercompany loans</u>	0	0	0
<u>Capital contributions</u>			0

Other financing activities, net	(2.4)	(1.2)	
Net cash used by financing activities of discontinued operations	0		(1.0)
Net cash provided by financing activities	103.4	113.6	38.9
Effect of exchange rate changes on cash and cash equivalents	(12.4)	27.9	(15.0)
Net (decrease) increase in cash and cash equivalents	(460.3)	1,046.6	(442.1)
Cash and cash equivalents at beginning of year	1,159.0	112.4	554.5
Cash and cash equivalents at end of year	698.7	1,159.0	112.4
Precision Castparts Corp [Member]			
Condensed Financial Statements, Captions [Line Items]			
Net cash provided (used) by operating activities	34.2	(0.1)	(112.6)
Acquisitions of businesses, net of cash acquired	(944.0)	(25.0)	(864.2)
Payments to Acquire Businesses and Interest in Affiliates		(7.2)	0
Capital expenditures	(0.5)	0	(0.3)
Intercompany advances	0	0	(150.4)
Intercompany loans	17.2	(7.2)	(73.6)
Payments for (Proceeds from) Other Investing Activities	0	14.9	24.8
Net cash provided by investing activities of discontinued operations	0	0	0
Net cash used by investing activities	(927.3)	(24.5)	(1,063.7)
Net change in long-term debt	(28.6)	(14.7)	(54.0)
Common stock issued	122.1	116.3	89.0
Excess Tax Benefit from Share-based Compensation, Financing Activities	29.6	30.3	23.1
Payments of Dividends	(17.3)	(17.1)	(16.9)
Intercompany advances	301.7	835.2	726.7
Intercompany loans	0	0	0
Capital contributions			0
Other financing activities, net	(1.8)	0	
Net cash used by financing activities of discontinued operations	0		0
Net cash provided by financing activities	405.7	950.0	767.9
Effect of exchange rate changes on cash and cash equivalents	0	0	0
Net (decrease) increase in cash and cash equivalents	(487.4)	925.4	(408.4)
Cash and cash equivalents at beginning of year	940.2	14.8	423.2
Cash and cash equivalents at end of year	452.8	940.2	14.8
Guarantor Subsidiaries [Member]			
Condensed Financial Statements, Captions [Line Items]			
Net cash provided (used) by operating activities	878.3	933.6	864.2
Acquisitions of businesses, net of cash acquired	(431.2)	(12.2)	0
Payments to Acquire Businesses and Interest in Affiliates		0	0
Capital expenditures	(167.2)	(86.9)	(91.9)
Intercompany advances	(310.0)	(851.6)	(740.9)
Intercompany loans	0	0	0
Payments for (Proceeds from) Other Investing Activities	35.5	25.5	(11.6)
Net cash provided by investing activities of discontinued operations	0.5	3.2	(13.0)
Net cash used by investing activities	(872.4)	(922.0)	(857.4)

Net change in long-term debt	0.1	0.1	(6.4)
Common stock issued	0	0	0
Excess Tax Benefit from Share-based Compensation, Financing Activities	0	0	0
Payments of Dividends	0	0	0
Intercompany advances	0	0	0
Intercompany loans	0	(1.4)	0
Capital contributions			0
Other financing activities, net	0	0	
Net cash used by financing activities of discontinued operations	0		(1.0)
Net cash provided by financing activities	0.1	(1.3)	(7.4)
Effect of exchange rate changes on cash and cash equivalents	0	0	0
Net (decrease) increase in cash and cash equivalents	6.0	10.3	(0.6)
Cash and cash equivalents at beginning of year	11.6	1.3	1.9
Cash and cash equivalents at end of year	17.6	11.6	1.3
Non-Guarantor Subsidiaries [Member]			
Condensed Financial Statements, Captions [Line Items]			
Net cash provided (used) by operating activities	125.8	104.5	158.2
Acquisitions of businesses, net of cash acquired	(48.7)	0	0
Payments to Acquire Businesses and Interest in Affiliates		(11.2)	(351.0)
Capital expenditures	(24.4)	(33.5)	(77.3)
Intercompany advances	8.4	9.6	25.0
Intercompany loans	0	0	0
Payments for (Proceeds from) Other Investing Activities	(9.1)	(6.8)	(6.3)
Net cash provided by investing activities of discontinued operations	(0.6)	5.9	4.2
Net cash used by investing activities	(74.4)	(36.0)	(405.4)
Net change in long-term debt	(0.1)	(0.1)	5.1
Common stock issued	0	0	0
Excess Tax Benefit from Share-based Compensation, Financing Activities	0	0	0
Payments of Dividends	0	0	0
Intercompany advances	0	0	0
Intercompany loans	(40.1)	8.6	73.6
Capital contributions			150.4
Other financing activities, net	(0.6)	6.0	
Net cash used by financing activities of discontinued operations	22.9		0
Net cash provided by financing activities	(17.9)	14.5	229.1
Effect of exchange rate changes on cash and cash equivalents	(12.4)	27.9	(15.0)
Net (decrease) increase in cash and cash equivalents	21.1	110.9	(33.1)
Cash and cash equivalents at beginning of year	207.2	96.3	129.4
Cash and cash equivalents at end of year	228.3	207.2	96.3
Consolidation, Eliminations [Member]			
Condensed Financial Statements, Captions [Line Items]			
Net cash provided (used) by operating activities	0	0	0

<u>Acquisitions of businesses, net of cash acquired</u>	0	0	0
<u>Payments to Acquire Businesses and Interest in Affiliates</u>		7.2	0
<u>Capital expenditures</u>	0	0	0
<u>Intercompany advances</u>	301.6	842.0	866.3
<u>Intercompany loans</u>	(17.2)	7.2	73.6
<u>Payments for (Proceeds from) Other Investing Activities</u>	0	0	0
<u>Net cash provided by investing activities of discontinued operations</u>	0.1	(6.8)	10.8
<u>Net cash used by investing activities</u>	284.5	849.6	950.7
<u>Net change in long-term debt</u>	0	0	0
<u>Common stock issued</u>	0	0	0
<u>Excess Tax Benefit from Share-based Compensation, Financing Activities</u>	0	0	0
<u>Payments of Dividends</u>	0	0	0
<u>Intercompany advances</u>	(301.7)	(835.2)	(726.7)
<u>Intercompany loans</u>	40.1	(7.2)	(73.6)
<u>Capital contributions</u>			(150.4)
<u>Other financing activities, net</u>	0	(7.2)	
<u>Net cash used by financing activities of discontinued operations</u>	(22.9)		0
<u>Net cash provided by financing activities</u>	(284.5)	(849.6)	(950.7)
<u>Effect of exchange rate changes on cash and cash equivalents</u>	0	0	0
<u>Net (decrease) increase in cash and cash equivalents</u>	0	0	0
<u>Cash and cash equivalents at beginning of year</u>	0	0	0
<u>Cash and cash equivalents at end of year</u>	\$ 0	\$ 0	\$ 0

4. Discontinued Operations (Details) (USD \$) In Millions, unless otherwise specified	12 Months Ended			3 Months Ended		
	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010	Sep. 26, 2010 Automotive Fastener Business [Member]	Sep. 27, 2009 Automotive Fastener Business [Member]	Mar. 28, 2010 Small Non-core Business in Investment Cast Products [Member]
<u>Income Statement Disclosures, Including Discontinued Operations</u>						
<u>Net sales</u>	\$ 63.7	\$ 47.1	\$ 80.4			
<u>Cost of goods sold</u>	59.0	44.5	71.1			
<u>Selling and administrative expenses</u>	7.6	5.0	10.0			
<u>Disposal Group Including Discontinued Operation Restructuring And Asset Impairment</u>	0	0	11.6		(8.7)	
<u>Interest Income From Discontinued Operations</u>	0	(0.1)	(0.1)			
<u>Income (loss) from discontinued operation, before income tax</u>	(2.9)	(2.3)	(12.2)			
<u>Income tax benefit (expense)</u>	(2.5)	1.0	1.5			
<u>Net income (loss) from discontinued operations, net of tax</u>	(5.4)	(1.3)	(10.7)			
<u>Gain (Loss) on Disposal and other expenses, net of tax expense (benefit) of \$0.9, 2.6, and 1.1</u>	(1.0)	5.4	7.4	6.4		11.4
<u>Net income (loss) from discontinued operations</u>	(6.4)	4.1	(3.3)			
<u>Discontinued Operation, Tax Effect of Income (Loss) from Disposal of Discontinued Operation</u>	0.9	2.6	1.1			
<u>Assets of discontinued operations:</u>						
<u>Current assets</u>	43.6	12.5				
<u>Net property, plant and equipment</u>	55.7	31.1				
<u>Other assets</u>	14.3	14.2				
<u>Total assets</u>	113.6	57.8				
<u>Liabilities of discontinued operations:</u>						
<u>Current liabilities</u>	18.6	6.2				
<u>Other long-term liabilities</u>	17.8	0				
<u>Total liabilities</u>	\$ 36.4	\$ 6.2				

**21. Condensed Consolidated
Financial Information
(Tables)**

**12 Months Ended
Apr. 01, 2012**

**Condensed Consolidated Financial
Information [Abstract]**

**Condensed Consolidating Statements
of Income**

Year Ended April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 6,026.3	\$ 1,512.8	\$ (324.5)	\$7,214.6
Costs and expenses:					
Cost of goods sold	16.6	4,097.3	1,159.9	(324.5)	4,949.3
Selling and administrative expenses	97.1	268.4	82.6	—	448.1
Other expense (income)	1.2	(5.7)	4.5	—	—
Interest (income) expense, net	(51.6)	64.1	(7.3)	—	5.2
Equity in earnings of subsidiaries	(1,256.5)	(79.9)	—	1,336.4	—
Total costs and expenses	(1,193.2)	4,344.2	1,239.7	1,011.9	5,402.6
Income before income tax and equity in earnings of unconsolidated affiliates	1,193.2	1,682.1	273.1	(1,336.4)	1,812.0
Income tax benefit (expense)	30.9	(558.9)	(66.4)	—	(594.4)
Equity in earnings of unconsolidated affiliates	—	1.4	13.2	—	14.6
Net income from continuing operations	1,224.1	1,124.6	219.9	(1,336.4)	1,232.2
Net income (loss) from discontinued operations	—	1.5	(7.9)	—	(6.4)
Net income	1,224.1	1,126.1	212.0	(1,336.4)	1,225.8
Net income attributable to noncontrolling interest	—	—	(1.7)	—	(1.7)
Net income attributable to PCC	<u>\$ 1,224.1</u>	<u>\$ 1,126.1</u>	<u>\$ 210.3</u>	<u>\$ (1,336.4)</u>	<u>\$1,224.1</u>

Condensed Consolidating Statements of Income

Year Ended April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 5,227.5	\$ 1,273.8	\$ (281.2)	\$6,220.1

Costs and expenses:

Cost of goods sold	16.9	3,586.4	1,004.6	(281.2)	4,326.7
Selling and administrative expenses	86.8	230.0	73.8	—	390.6
Other expense (income)	0.9	(3.3)	2.4	—	—
Interest (income) expense, net	(48.4)	61.0	(3.6)	—	9.0
Equity in earnings of subsidiaries	(1,043.3)	(38.3)	—	1,081.6	—
Total costs and expenses	(987.1)	3,835.8	1,077.2	800.4	4,726.3
Income before income tax and equity in earnings of unconsolidated affiliates	987.1	1,391.7	196.6	(1,081.6)	1,493.8
Income tax benefit (expense)	26.4	(473.3)	(52.8)	—	(499.7)
Equity in earnings of unconsolidated affiliates	—	0.8	15.8	—	16.6
Net income from continuing operations	1,013.5	919.2	159.6	(1,081.6)	1,010.7
Net income (loss) from discontinued operations	—	8.2	(4.1)	—	4.1
Net income	1,013.5	927.4	155.5	(1,081.6)	1,014.8
Net income attributable to noncontrolling interest	—	—	(1.3)	—	(1.3)
Net income attributable to PCC	<u>\$ 1,013.5</u>	<u>\$ 927.4</u>	<u>\$ 154.2</u>	<u>\$ (1,081.6)</u>	<u>\$ 1,013.5</u>

Condensed Consolidating Statements of Income

Year Ended March 28, 2010	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net sales	\$ —	\$ 4,544.1	\$ 1,105.5	\$ (190.4)	\$ 5,459.2
Costs and expenses:					
Cost of goods sold	12.6	3,021.9	824.7	(190.4)	3,668.8
Selling and administrative expenses	84.8	196.4	85.9	—	367.1
Other (income) expense	(0.5)	(2.9)	3.4	—	—
Interest (income) expense, net	(45.8)	61.5	(2.6)	—	13.1
Equity in earnings of subsidiaries	(913.9)	(8.2)	—	922.1	—

Total costs and expenses	(862.8)	3,268.7	911.4	731.7	4,049.0
Income before income tax and equity in earnings of unconsolidated affiliates	862.8	1,275.4	194.1	(922.1)	1,410.2
Income tax benefit (expense)	59.0	(505.5)	(39.2)	—	(485.7)
Equity in earnings of unconsolidated affiliates	—	—	1.4	—	1.4
Net income from continuing operations	921.8	769.9	156.3	(922.1)	925.9
Net income (loss) from discontinued operations	—	5.1	(8.4)	—	(3.3)
Net income	921.8	775.0	147.9	(922.1)	922.6
Net income attributable to noncontrolling interest	—	(0.5)	(0.3)	—	(0.8)
Net income attributable to PCC	\$ 921.8	\$ 774.5	\$ 147.6	\$ (922.1)	\$ 921.8

[Condensed Consolidating Balance Sheets](#)

April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 452.8	\$ 17.6	\$ 228.3	\$ —	\$ 698.7
Receivables, net	44.3	4,008.6	252.4	(3,116.9)	1,188.4
Inventories	—	1,539.6	278.0	—	1,817.6
Prepaid expenses and other current assets	4.4	14.1	11.1	—	29.6
Income tax receivable	22.1	—	—	(14.2)	7.9
Deferred income taxes	8.8	—	6.1	(14.9)	—
Discontinued operations	—	39.7	101.5	(97.6)	43.6
Total current assets	532.4	5,619.6	877.4	(3,243.6)	3,785.8
Property, plant and equipment, net	1.4	1,041.6	279.2	—	1,322.2
Goodwill	—	2,935.8	578.7	—	3,514.5
Deferred income taxes	121.8	—	—	(121.8)	—
Investments in subsidiaries	11,340.1	548.4	—	(11,888.5)	—
Other assets	108.8	1,286.2	471.3	—	1,866.3
Discontinued operations	—	23.3	46.7	—	70.0

	<u>\$12,104.5</u>	<u>\$ 11,454.9</u>	<u>\$ 2,253.3</u>	<u>\$(15,253.9)</u>	<u>\$10,558.8</u>
Liabilities and Equity					
Current liabilities:					
Long-term debt currently due	\$ —	\$ 0.3	\$ 0.2	\$ —	\$ 0.5
Accounts payable	3,290.4	527.8	111.4	(3,214.4)	715.2
Accrued liabilities	26.7	247.5	62.1	(1.1)	335.2
Income taxes payable	—	—	14.2	(14.2)	—
Deferred income taxes	—	16.3	—	(14.9)	1.4
Discontinued operations	—	6.2	12.4	—	18.6
Total current liabilities	<u>3,317.1</u>	<u>798.1</u>	<u>200.3</u>	<u>(3,244.6)</u>	<u>1,070.9</u>
Long-term debt	201.6	0.3	5.8	—	207.7
Deferred income taxes	—	339.4	41.5	(121.8)	259.1
Pension and other postretirement benefit obligations	204.4	136.4	18.1	—	358.9
Other long-term liabilities	16.6	228.0	35.0	—	279.6
Discontinued operations	—	3.1	14.7	—	17.8
Commitments and contingencies					
Total equity	<u>8,364.8</u>	<u>9,949.6</u>	<u>1,937.9</u>	<u>(11,887.5)</u>	<u>8,364.8</u>
	<u>\$12,104.5</u>	<u>\$ 11,454.9</u>	<u>\$ 2,253.3</u>	<u>\$(15,253.9)</u>	<u>\$10,558.8</u>

Condensed Consolidating Balance Sheets

April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 940.2	\$ 11.6	\$ 207.2	\$ —	\$1,159.0
Receivables, net	53.8	3,608.9	125.2	(2,809.2)	978.7
Inventories	—	1,180.5	278.9	—	1,459.4
Prepaid expenses and other current assets	2.6	9.0	9.4	—	21.0
Income tax receivable	33.6	—	—	(13.6)	20.0
Deferred income taxes	9.6	—	4.8	(14.4)	—
Discontinued operations	—	6.5	100.0	(94.0)	12.5

Total current assets	1,039.8	4,816.5	725.5	(2,931.2)	3,650.6
Property, plant and equipment, net	1.3	909.8	283.7	—	1,194.8
Goodwill	—	2,352.2	537.0	—	2,889.2
Deferred income taxes	75.2	—	—	(75.2)	—
Investments in subsidiaries	9,269.6	414.2	—	(9,683.8)	—
Other assets	163.3	523.2	489.5	—	1,176.0
Discontinued operations	—	28.5	16.6	0.2	45.3
	<u>\$10,549.2</u>	<u>\$ 9,044.4</u>	<u>\$ 2,052.3</u>	<u>\$(12,690.0)</u>	<u>\$8,955.9</u>
Liabilities and Equity					
Current liabilities:					
Long-term debt currently due	\$ 14.2	\$ 0.3	\$ 0.2	\$ —	\$ 14.7
Accounts payable	2,949.6	441.7	105.2	(2,888.7)	607.8
Accrued liabilities	28.5	219.7	56.9	(1.1)	304.0
Income taxes payable	—	—	13.6	(13.6)	—
Deferred income taxes	—	23.7	—	(14.4)	9.3
Discontinued operations	—	19.6	1.0	(14.4)	6.2
Total current liabilities	2,992.3	705.0	176.9	(2,932.2)	942.0
Long-term debt	215.4	0.6	5.9	—	221.9
Deferred income taxes	—	205.9	63.5	(75.0)	194.4
Pension and other postretirement benefit obligations	163.9	87.5	1.1	—	252.5
Other long-term liabilities	13.1	159.1	8.4	—	180.6
Discontinued operations	—	—	—	—	—
Commitments and contingencies					
Total equity	7,164.5	7,886.3	1,796.5	(9,682.8)	7,164.5
	<u>\$10,549.2</u>	<u>\$ 9,044.4</u>	<u>\$ 2,052.3</u>	<u>\$(12,690.0)</u>	<u>\$8,955.9</u>

[Condensed Consolidating Statements of Cash Flows](#)

Year Ended April 1, 2012	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash provided by operating activities	\$ 34.2	\$ 878.3	\$ 125.8	\$ —	\$ 1,038.3
Acquisitions of businesses, net of cash acquired	(944.0)	(431.2)	(48.7)	—	(1,423.9)
Capital expenditures	(0.5)	(167.2)	(24.4)	—	(192.1)
Intercompany advances	—	(310.0)	8.4	301.6	—
Intercompany loans	17.2	—	—	(17.2)	—

Other investing activities, net	—	35.5	(9.1)	—	26.4
Net cash provided (used) by investing activities of discontinued operations	—	0.5	(0.6)	0.1	—
Net cash used by investing activities	(927.3)	(872.4)	(74.4)	284.5	(1,589.6)
Net change in long-term debt	(28.6)	0.1	(0.1)	—	(28.6)
Common stock issued	122.1	—	—	—	122.1
Excess tax benefits from share-based payment arrangements	29.6	—	—	—	29.6
Cash dividends	(17.3)	—	—	—	(17.3)
Intercompany advances	301.7	—	—	(301.7)	—
Intercompany loans	—	—	(40.1)	40.1	—
Other financing activities, net	(1.8)	—	(0.6)	—	(2.4)
Net cash provided by financing activities of discontinued operations	—	—	22.9	(22.9)	—
Net cash provided (used) by financing activities	405.7	0.1	(17.9)	(284.5)	103.4
Effect of exchange rate changes on cash and cash equivalents	—	—	(12.4)	—	(12.4)
Net increase in cash and cash equivalents	(487.4)	6.0	21.1	—	(460.3)
Cash and cash equivalents at beginning of year	940.2	11.6	207.2	—	1,159.0
Cash and cash equivalents at end of year	<u>\$ 452.8</u>	<u>\$ 17.6</u>	<u>\$ 228.3</u>	<u>\$ —</u>	<u>\$ 698.7</u>

Condensed Consolidating Statements of Cash Flows

Year Ended April 3, 2011	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	\$ (0.1)	\$ 933.6	\$ 104.5	\$ —	\$1,038.0
Acquisitions of businesses, net of cash acquired	(25.0)	(12.2)	—	—	(37.2)
Investment in unconsolidated affiliates	(7.2)	—	(11.2)	7.2	(11.2)

Capital expenditures	—	(86.9)	(33.5)	—	(120.4)
Intercompany advances	—	(851.6)	9.6	842.0	—
Intercompany loans	(7.2)	—	—	7.2	—
Other investing activities, net	14.9	25.5	(6.8)	—	33.6
Net cash provided by investing activities of discontinued operations	—	3.2	5.9	(6.8)	2.3
Net cash used by investing activities	(24.5)	(922.0)	(36.0)	849.6	(132.9)
Net change in long-term debt	(14.7)	0.1	(0.1)	—	(14.7)
Common stock issued	116.3	—	—	—	116.3
Excess tax benefits from share-based payment arrangements	30.3	—	—	—	30.3
Cash dividends	(17.1)	—	—	—	(17.1)
Intercompany advances	835.2	—	—	(835.2)	—
Intercompany loans	—	(1.4)	8.6	(7.2)	—
Other financing activities, net	—	—	6.0	(7.2)	(1.2)
Net cash provided (used) by financing activities	950.0	(1.3)	14.5	(849.6)	113.6
Effect of exchange rate changes on cash and cash equivalents	—	—	27.9	—	27.9
Net increase in cash and cash equivalents	925.4	10.3	110.9	—	1,046.6
Cash and cash equivalents at beginning of year	14.8	1.3	96.3	—	112.4
Cash and cash equivalents at end of year	<u>\$ 940.2</u>	<u>\$ 11.6</u>	<u>\$ 207.2</u>	<u>\$ —</u>	<u>\$1,159.0</u>

Condensed Consolidating Statements of Cash Flows

Year Ended March 28, 2010	Precision Castparts Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net cash (used) provided by operating activities	<u>\$ (112.6)</u>	<u>\$ 864.2</u>	<u>\$ 158.2</u>	<u>\$ —</u>	<u>\$ 909.8</u>
Acquisitions of businesses, net of cash acquired	(864.2)	—	—	—	(864.2)
Investment in unconsolidated affiliates	—	—	(351.0)	—	(351.0)
Capital expenditures	(0.3)	(91.9)	(77.3)	—	(169.5)
Intercompany advances	(150.4)	(740.9)	25.0	866.3	—

Intercompany loans	(73.6)	—	—	73.6	—
Other investing activities, net	24.8	(11.6)	(6.3)	—	6.9
Net cash (used) provided by investing activities of discontinued operations	—	(13.0)	4.2	10.8	2.0
Net cash used by investing activities	(1,063.7)	(857.4)	(405.4)	950.7	(1,375.8)
Net change in long-term debt	(54.0)	(6.4)	5.1	—	(55.3)
Common stock issued	89.0	—	—	—	89.0
Excess tax benefits from share-based payment arrangements	23.1	—	—	—	23.1
Cash dividends	(16.9)	—	—	—	(16.9)
Intercompany advances	726.7	—	—	(726.7)	—
Intercompany loans	—	—	73.6	(73.6)	—
Capital contributions	—	—	150.4	(150.4)	—
Net cash used by financing activities of discontinued operations	—	(1.0)	—	—	(1.0)
Net cash provided (used) by financing activities	767.9	(7.4)	229.1	(950.7)	38.9
Effect of exchange rate changes on cash and cash equivalents	—	—	(15.0)	—	(15.0)
Net decrease in cash and cash equivalents	(408.4)	(0.6)	(33.1)	—	(442.1)
Cash and cash equivalents at beginning of year	423.2	1.9	129.4	—	554.5
Cash and cash equivalents at end of year	<u>\$ 14.8</u>	<u>\$ 1.3</u>	<u>\$ 96.3</u>	<u>\$ —</u>	<u>\$ 112.4</u>

1. Summary of Significant Accounting Policies (Policies)

**12 Months Ended
Apr. 01, 2012**

[Accounting Policies](#)

[\[Abstract\]](#)

[Principles of consolidation](#)

The consolidated financial statements include the accounts of Precision Castparts Corp. ("PCC", the "Company", or "we") and subsidiaries after elimination of intercompany accounts and transactions. Subsidiaries include majority-owned companies and other companies which are fully consolidated based on PCC having a controlling financial interest or an obligation to consolidate under accounting principles generally accepted in the United States of America ("GAAP"). Investments in affiliated companies are accounted for using the equity method when PCC has a non-controlling ownership interest, generally between twenty and fifty percent, giving us significant influence; and investments are accounted for using the cost method when PCC has a non-controlling ownership interest of less than 20 percent. Unless otherwise noted, disclosures herein pertain to our continuing operations. Our fiscal year is based on a 52-53 week year ending the Sunday closest to March 31.

Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Such reclassifications had no effect on previously reported shareholders' equity or net income.

[Fiscal period](#)

Our fiscal year is based on a 52-53 week year ending the Sunday closest to March 31.

[Cash and cash equivalents](#)

Cash and cash equivalents include cash on hand and highly liquid short-term instruments with maturities of three months or less at the time of purchase. These investments are available for sale with market values approximating cost.

[Inventories](#)

All inventories are stated at the lower of cost or current market values. Cost for inventories at the majority of our operations is determined on a last-in, first-out ("LIFO") basis. The average inventory cost method is utilized for most other inventories. Costs utilized for inventory valuation purposes include material, labor and manufacturing overhead.

[Property, plant and equipment](#)

Property, plant and equipment are stated at cost. Depreciation of plant and equipment is computed using the straight-line method based on the estimated service lives of the assets. Estimated service lives are generally 20 to 40 years for buildings and improvements, 3 to 12 years for machinery and equipment and 3 to 7 years for computer hardware and software. Depreciation expense was \$154.6 million, \$148.3 million and \$139.2 million in fiscal 2012, 2011 and 2010, respectively. Gains and losses from the disposal of property, plant and equipment are included in the consolidated statements of income and were not material for any year presented. Expenditures for routine maintenance, repairs and minor improvements are charged to expense as incurred.

[Goodwill and acquired intangible assets](#)

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses, and acquired intangible assets represent items such as patents, proprietary technology, tradenames, backlog and customer relationships that are assigned a fair value at the date of acquisition. Goodwill and other intangible assets deemed to have indefinite lives are not subject to amortization in accordance with accounting guidance provided by GAAP through the Accounting Standards Codification ("guidance"). Goodwill and intangible assets with indefinite lives are tested for impairment at a minimum each fiscal year in the second quarter, or when impairment indicators exist, using the guidance and criteria described in the guidance. This testing compares the carrying values of each intangible asset or reporting unit to estimated fair values. If the carrying value of these assets is in excess of estimated fair value, the carrying value is reduced to their estimated fair value or, in the case of goodwill, implied fair value.

Acquired intangible assets with finite lives are amortized using the straight-line method and include the following: patents, 1 to 19 years; proprietary technology, 15 years; tradenames, 3 years; customer relationships, 3 to 15 years; and backlog, 0 to 5 years.

[Long-lived assets](#)

Long-lived assets held for use are subject to an impairment assessment upon certain triggering events. If the carrying value is no longer recoverable based upon the undiscounted future cash flows, an impairment is recorded for the difference between the carrying amount and

the fair value of the asset. Long-lived assets considered held for sale are stated at the lower of carrying value or fair value less the cost to sell.

Revenue recognition

We recognize revenue when the earnings process is complete. This generally occurs when products are shipped to the customer in accordance with the contract or purchase order, ownership and risk of loss have passed to the customer, collectibility is reasonably assured, and pricing is fixed and determinable. In instances where title does not pass to the customer upon shipment, we recognize revenue upon delivery or customer acceptance, depending on terms of the sales agreement. Service sales, representing maintenance and engineering activities, are recognized as services are performed.

Shipping and handling fees and costs

Shipping and handling fees and costs charged to customers are reflected in net revenues and cost of goods sold as appropriate.

Environmental costs

The estimated future costs for known environmental remediation requirements are accrued on an undiscounted basis when it is probable that a liability has been incurred and the amount of remediation costs can be reasonably estimated. When only a range of amounts is established, and no estimated amount within the range is better than another, the minimum amount of the range is recorded. Recoveries of environmental remediation costs from other parties are recorded as assets when collection is probable. Adjustments to our accruals may be necessary to reflect new information as investigation and remediation efforts proceed. The amounts of any such adjustments could have a material adverse effect on our results of operations in a given period, but any amounts, and the possible range of any amounts in excess of those already accrued, are not reasonably estimable at this time. Total environmental liabilities accrued at April 1, 2012 and April 3, 2011 were \$71.4 million and \$66.8 million, respectively.

Research and development

We have departments involved in research and development in all three of our reportable segments. The research and development effort at these operations is directed at the technical aspects of developing new and improved manufacturing processes. Expenditures for research and development activities at these departments amounted to \$17.8 million in fiscal 2012, \$17.1 million in fiscal 2011, and \$25.6 million in fiscal 2010.

Foreign currency translation

Assets and liabilities of our foreign affiliates are translated at current foreign currency exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as a component of shareholders' equity.

Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, except those transactions that have been designated as hedges of identifiable foreign currency commitments or investment positions, are included in the results of operations as incurred. Transaction gains and losses had no material impact on our results of operations for any year presented.

Fair value of financial instruments

Our financial instruments include cash and cash equivalents, debt, and derivative instruments, including foreign currency forward contracts and options, commodity swap and interest rate swap contracts. Because of their short maturity, the carrying amounts of cash and cash equivalents and short-term bank debt approximate fair value. Fair value of long-term debt is based on quoted market prices or estimated using our borrowing rate at year-end for similar types of borrowing arrangements. Refer to Note 12—Fair value measurements.

At various times, we use derivative financial instruments to limit exposure to changes in foreign currency exchange rates, interest rates and prices of strategic raw materials or other commodities. We account for derivatives pursuant to derivative instruments and hedging activities accounting guidance. This guidance requires that all derivative financial instruments be recorded in the financial statements and measured at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of accumulated other comprehensive income (loss)) depending on whether the derivative is being used to hedge designated changes in fair value or cash flows. Refer to Note 17—Derivatives and hedging activities.

Stock-based compensation

We account for our stock based compensation plans in accordance with stock-based compensation guidance, which requires that the compensation cost relating to share-based payment transactions be recognized in the financial statements, with the cost measured based on the estimated fair value of the equity or liability instruments issued. Our stock-based employee

compensation plans are described more fully in Note 15—Stock-based compensation plans. We recognize the compensation costs related to stock options on a straight-line basis over the requisite service period of the award, which is generally the option vesting term of four years.

[Income taxes](#)

Provisions for federal, state and foreign income taxes are calculated on reported pre-tax earnings based on current tax law and also include, in the current period, the cumulative effect of any changes in tax rates from those previously used in determining deferred tax assets and liabilities. Such provisions differ from the amounts currently receivable or payable because certain items of income and expense are recognized in different time periods for financial reporting purposes than for income tax purposes. Significant judgment is required in determining income tax provisions and evaluating tax positions. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Tax benefits arising from uncertain tax positions are recognized when it is more likely than not that the position will be sustained upon examination by the relevant tax authorities. The amount recognized in the financial statements is the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. We recognize interest and penalties, if any, related to uncertain tax positions in income tax expense.

[Retirement and other postretirement benefit plans](#)

We sponsor various defined benefit and defined contribution plans covering substantially all employees. We also sponsor postretirement benefit plans other than pensions, consisting principally of health care coverage to eligible retirees and qualifying dependents, covering less than 25% of our workforce. The liabilities and net periodic cost of our defined benefit pension and other post-retirement plans are determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate, the rate of return on plan assets, and medical trend rate (rate of growth for medical costs). For the U.S. plans, the discount rate was determined based on the results of a bond matching model that constructed a portfolio of bonds with credit ratings of AA/Aa or higher that match our expected pension benefit cash flows. The discount rate was determined on the basis of the internal rate of return on the bond portfolio. For the non-U.S. plans, the iBoxx long-term Corporate bond indices were used as the primary basis for determining discount rates. A portion of net periodic pension cost is included in production costs, which are included in inventories and subsequently recognized in net earnings as inventories are liquidated and charged to cost of sales. We amortize gains and losses, which occur when actual experience differs from actuarial assumptions, over the average future service period of employees. Our funding policy for pension plans is to contribute, at a minimum, the amounts required by applicable laws. During fiscal 2012, 2011 and 2010, we made voluntary contributions to pension plans totaling \$50.0 million, \$100.0 million and \$192.6 million, respectively.

[Related party transactions](#)

The Company regularly transacts business with its equity investees. Purchases from Yangzhou Chengde Steel Tube Co., Ltd (“Chengde”) were approximately \$30 million in fiscal 2012 and \$50 million in fiscal 2011. Accounts payable to Chengde was approximately \$4 million at April 1, 2012 and \$8 million at April 3, 2011. There was no purchasing activity with Chengde in fiscal 2010. The business transactions with our other equity investees were not considered significant.

[Use of estimates](#)

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4. Discontinued Operations (Tables)

**12 Months Ended
Apr. 01, 2012**

[Discontinued Operations and Disposal Groups \[Abstract\]](#)

[Components of income statements of discontinued operations](#)

The components of discontinued operations for the periods presented are as follows:

Fiscal	2012	2011	2010
Net sales	\$ 63.7	\$ 47.1	\$ 80.4
Cost of goods sold	59.0	44.5	71.1
Selling and administrative expenses	7.6	5.0	10.0
Restructuring and asset impairment	—	—	11.6
Interest income, net	—	(0.1)	(0.1)
Net loss from operations before income taxes	(2.9)	(2.3)	(12.2)
Income tax (expense) benefit	(2.5)	1.0	1.5
Net loss from operations	(5.4)	(1.3)	(10.7)
(Loss) gain on disposal and other expenses, net of tax expense of \$0.9, \$2.6 and \$1.1	(1.0)	5.4	7.4
Net (loss) income from discontinued operations	\$ (6.4)	\$ 4.1	\$ (3.3)

[Consolidated balance sheets of discontinued operations](#)

Included in the Consolidated Balance Sheets are the following major classes of assets and liabilities associated with the discontinued operations:

	April 1, 2012	April 3, 2011
Assets of discontinued operations:		
Current assets	\$ 43.6	\$ 12.5
Net property, plant and equipment	55.7	31.1
Other assets	14.3	14.2
	<u>\$ 113.6</u>	<u>\$ 57.8</u>
Liabilities of discontinued operations:		
Current liabilities	\$ 18.6	\$ 6.2
Other long-term liabilities	17.8	—
	<u>\$ 36.4</u>	<u>\$ 6.2</u>

1. Summary of Significant Accounting Policies

12 Months Ended
Apr. 01, 2012

[Accounting Policies](#)

[\[Abstract\]](#)

[Summary of Significant Accounting Policies](#)

Summary of significant accounting policies

Principles of consolidation

The consolidated financial statements include the accounts of Precision Castparts Corp. ("PCC", the "Company", or "we") and subsidiaries after elimination of intercompany accounts and transactions. Subsidiaries include majority-owned companies and other companies which are fully consolidated based on PCC having a controlling financial interest or an obligation to consolidate under accounting principles generally accepted in the United States of America ("GAAP"). Investments in affiliated companies are accounted for using the equity method when PCC has a non-controlling ownership interest, generally between twenty and fifty percent, giving us significant influence; and investments are accounted for using the cost method when PCC has a non-controlling ownership interest of less than 20 percent. Unless otherwise noted, disclosures herein pertain to our continuing operations. Our fiscal year is based on a 52-53 week year ending the Sunday closest to March 31.

Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Such reclassifications had no effect on previously reported shareholders' equity or net income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid short-term instruments with maturities of three months or less at the time of purchase. These investments are available for sale with market values approximating cost.

Inventories

All inventories are stated at the lower of cost or current market values. Cost for inventories at the majority of our operations is determined on a last-in, first-out ("LIFO") basis. The average inventory cost method is utilized for most other inventories. Costs utilized for inventory valuation purposes include material, labor and manufacturing overhead.

Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of plant and equipment is computed using the straight-line method based on the estimated service lives of the assets. Estimated service lives are generally 20 to 40 years for buildings and improvements, 3 to 12 years for machinery and equipment and 3 to 7 years for computer hardware and software. Depreciation expense was \$154.6 million, \$148.3 million and \$139.2 million in fiscal 2012, 2011 and 2010, respectively. Gains and losses from the disposal of property, plant and equipment are included in the consolidated statements of income and were not material for any year presented. Expenditures for routine maintenance, repairs and minor improvements are charged to expense as incurred.

Goodwill and acquired intangible assets

Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses, and acquired intangible assets represent items such as patents, proprietary technology, tradenames, backlog and customer relationships that are assigned a fair value at the date of acquisition. Goodwill and other intangible assets deemed to have indefinite lives are not subject to amortization in accordance with accounting guidance provided by GAAP through the Accounting Standards Codification ("guidance"). Goodwill and intangible assets with indefinite lives are tested for impairment at a minimum each fiscal year in the second quarter, or when impairment indicators exist, using the guidance and criteria described in the guidance. This testing compares the carrying values of each intangible asset or reporting unit to estimated fair

values. If the carrying value of these assets is in excess of estimated fair value, the carrying value is reduced to their estimated fair value or, in the case of goodwill, implied fair value.

Acquired intangible assets with finite lives are amortized using the straight-line method and include the following: patents, 1 to 19 years; proprietary technology, 15 years; tradenames, 3 years; customer relationships, 3 to 15 years; and backlog, 0 to 5 years.

Long-lived assets

Long-lived assets held for use are subject to an impairment assessment upon certain triggering events. If the carrying value is no longer recoverable based upon the undiscounted future cash flows, an impairment is recorded for the difference between the carrying amount and the fair value of the asset. Long-lived assets considered held for sale are stated at the lower of carrying value or fair value less the cost to sell.

Revenue recognition

We recognize revenue when the earnings process is complete. This generally occurs when products are shipped to the customer in accordance with the contract or purchase order, ownership and risk of loss have passed to the customer, collectibility is reasonably assured, and pricing is fixed and determinable. In instances where title does not pass to the customer upon shipment, we recognize revenue upon delivery or customer acceptance, depending on terms of the sales agreement. Service sales, representing maintenance and engineering activities, are recognized as services are performed.

Shipping and handling fees and costs

Shipping and handling fees and costs charged to customers are reflected in net revenues and cost of goods sold as appropriate.

Environmental costs

The estimated future costs for known environmental remediation requirements are accrued on an undiscounted basis when it is probable that a liability has been incurred and the amount of remediation costs can be reasonably estimated. When only a range of amounts is established, and no estimated amount within the range is better than another, the minimum amount of the range is recorded. Recoveries of environmental remediation costs from other parties are recorded as assets when collection is probable. Adjustments to our accruals may be necessary to reflect new information as investigation and remediation efforts proceed. The amounts of any such adjustments could have a material adverse effect on our results of operations in a given period, but any amounts, and the possible range of any amounts in excess of those already accrued, are not reasonably estimable at this time. Total environmental liabilities accrued at April 1, 2012 and April 3, 2011 were \$71.4 million and \$66.8 million, respectively.

Research and development

We have departments involved in research and development in all three of our reportable segments. The research and development effort at these operations is directed at the technical aspects of developing new and improved manufacturing processes. Expenditures for research and development activities at these departments amounted to \$17.8 million in fiscal 2012, \$17.1 million in fiscal 2011, and \$25.6 million in fiscal 2010.

Foreign currency translation

Assets and liabilities of our foreign affiliates are translated at current foreign currency exchange rates, while income and expenses are translated at average rates for the period. Translation gains and losses are reported as a component of shareholders' equity.

Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, except those transactions that have been designated as hedges of identifiable foreign currency commitments or investment positions, are included in the results of operations as incurred. Transaction gains and losses had no material impact on our results of operations for any year presented.

Financial instruments

Our financial instruments include cash and cash equivalents, debt, and derivative instruments, including foreign currency forward contracts and options, commodity swap and interest rate swap contracts. Because of their short maturity, the carrying amounts of cash and cash equivalents and short-term bank debt approximate fair value. Fair value of long-term debt is based on quoted market prices or estimated using our borrowing rate at year-end for similar types of borrowing arrangements. Refer to Note 12—Fair value measurements.

At various times, we use derivative financial instruments to limit exposure to changes in foreign currency exchange rates, interest rates and prices of strategic raw materials or other commodities. We account for derivatives pursuant to derivative instruments and hedging activities accounting guidance. This guidance requires that all derivative financial instruments be recorded in the financial statements and measured at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of accumulated other comprehensive income (loss)) depending on whether the derivative is being used to hedge designated changes in fair value or cash flows. Refer to Note 17—Derivatives and hedging activities.

Stock-based compensation

We account for our stock based compensation plans in accordance with stock-based compensation guidance, which requires that the compensation cost relating to share-based payment transactions be recognized in the financial statements, with the cost measured based on the estimated fair value of the equity or liability instruments issued. Our stock-based employee compensation plans are described more fully in Note 15—Stock-based compensation plans. We recognize the compensation costs related to stock options on a straight-line basis over the requisite service period of the award, which is generally the option vesting term of four years.

Income taxes

Provisions for federal, state and foreign income taxes are calculated on reported pre-tax earnings based on current tax law and also include, in the current period, the cumulative effect of any changes in tax rates from those previously used in determining deferred tax assets and liabilities. Such provisions differ from the amounts currently receivable or payable because certain items of income and expense are recognized in different time periods for financial reporting purposes than for income tax purposes. Significant judgment is required in determining income tax provisions and evaluating tax positions. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Tax benefits arising from uncertain tax positions are recognized when it is more likely than not that the position will be sustained upon examination by the relevant tax authorities. The amount recognized in the financial statements is the largest amount of tax benefit that is greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. We recognize interest and penalties, if any, related to uncertain tax positions in income tax expense.

Retirement and other postretirement benefit plans

We sponsor various defined benefit and defined contribution plans covering substantially all employees. We also sponsor postretirement benefit plans other than pensions, consisting principally of health care coverage to eligible retirees and qualifying dependents, covering less than 25% of our workforce. The liabilities and net periodic cost of our defined benefit pension and other post-retirement plans are determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate, the rate of return on plan assets, and medical trend rate (rate of growth for medical costs). For the U.S. plans, the discount rate was determined based on the results of a bond matching model that constructed a portfolio of bonds with credit ratings of AA/Aa or higher that match our expected pension benefit cash flows. The discount rate was determined on the basis of the internal rate of return on the bond portfolio. For the non-U.S. plans, the iBoxx long-term Corporate bond indices were used as the primary basis for determining discount rates. A portion of net periodic pension cost is included in production costs, which are included in inventories and subsequently recognized in net earnings as

inventories are liquidated and charged to cost of sales. We amortize gains and losses, which occur when actual experience differs from actuarial assumptions, over the average future service period of employees. Our funding policy for pension plans is to contribute, at a minimum, the amounts required by applicable laws. During fiscal 2012, 2011 and 2010, we made voluntary contributions to pension plans totaling \$50.0 million, \$100.0 million and \$192.6 million, respectively.

Related party transactions

The Company regularly transacts business with its equity investees. Purchases from Yangzhou Chengde Steel Tube Co., Ltd (“Chengde”) were approximately \$30 million in fiscal 2012 and \$50 million in fiscal 2011. Accounts payable to Chengde was approximately \$4 million at April 1, 2012 and \$8 million at April 3, 2011. There was no purchasing activity with Chengde in fiscal 2010. The business transactions with our other equity investees were not considered significant.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. Inventories (Tables)

12 Months Ended Apr. 01, 2012

[Inventory, Net \[Abstract\]](#)
[Schedule of inventories](#)

Inventories consisted of the following:

	April 1, 2012	April 3, 2011
Finished goods	\$ 340.6	\$ 333.7
Work-in-process	742.1	538.8
Raw materials and supplies	544.5	437.2
	1,627.2	1,309.7
Excess of LIFO cost over current cost	190.4	149.7
Total	<u>\$1,817.6</u>	<u>\$1,459.4</u>

**18. Pensions and Other
Postretirement Benefit Plans,
Net Periodic Pension Cost
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Net Periodic Pension Cost for Pension Plans [Member]

Components of net periodic pension cost

<u>Service cost</u>	\$ 36.6	\$ 35.3	\$ 31.7
<u>Interest cost</u>	92.1	91.0	86.6
<u>Expected return on plan assets</u>	(131.5)	(123.5)	(104.6)
<u>Amortization of prior service cost/curtailment gain</u>	3.0	3.1	4.1
<u>Amortization of transition asset</u>	0.2	0.2	0.2
<u>Amortization of net actuarial loss</u>	21.8	18.7	12.6
<u>Net periodic benefit cost</u>	22.2	24.8	30.6

Other Postretirement Benefit Plans, Defined Benefit [Member]

Components of net periodic pension cost

<u>Service cost</u>	0.7	0.8	1.3
<u>Interest cost</u>	4.6	5.7	8.5
<u>Amortization of prior service cost/curtailment gain</u>	(0.3)	(0.7)	(0.7)
<u>Amortization of net actuarial loss</u>	0.5	0.6	0.7
<u>Net periodic benefit cost</u>	\$ 5.5	\$ 6.4	\$ 9.8

**15. Stock-based
Compensation Plans (Tables)**

**Disclosure of Compensation Related
Costs, Share-based Payments**

[Abstract]

Stock-based compensation expense

**Weighted-average assumptions of fair
value of stock-based awards**

**Weighted-average fair value of grants
and intrinsic value of options exercised**

Stock option activity

**12 Months Ended
Apr. 01, 2012**

The following table sets forth total stock-based compensation expense and related tax benefit recognized in the Consolidated Statements of Income:

Fiscal	2012	2011	2010
Cost of goods sold	\$ 16.6	\$ 16.9	\$ 12.7
Selling and administrative expenses	31.8	30.4	28.4
Stock-based compensation expense before income taxes	48.4	47.3	41.1
Income tax benefit	(15.0)	(13.6)	(12.4)
Total stock-based compensation expense after income taxes	\$ 33.4	\$ 33.7	\$ 28.7

The fair value of the stock-based awards, as determined under the Black-Scholes valuation model, was estimated using the weighted-average assumptions outlined below:

Fiscal	2012	2011	2010
Stock option plans:			
Risk-free interest rate	0.7%	1.0%	1.9%
Expected dividend yield	0.1%	0.1%	0.1%
Expected volatility	42.7%	44.0%	43.8%
Expected life (in years)	3.0 – 4.4	3.0 – 4.4	2.7 – 4.4
Employee Stock Purchase Plan:			
Risk-free interest rate	0.3%	0.4%	0.4%
Expected dividend yield	0.1%	0.1%	0.2%
Expected volatility	29.9%	38.4%	40.4%
Expected life (in years)	1.0	1.0	1.0

The weighted-average fair value of stock-based compensation awards granted and the intrinsic value of options exercised during the period were:

Fiscal	2012	2011	2010
Stock option plans:			
Grant date fair value per share	\$ 55.81	\$ 48.81	\$ 37.25
Total fair value of awards granted	\$ 56.4	\$ 49.1	\$ 51.8
Total intrinsic value of options exercised	\$ 120.4	\$ 119.4	\$ 93.4
Employee Stock Purchase Plan:			
Grant date fair value per share	\$ 36.95	\$ 33.33	\$ 21.68
Total fair value	\$ 7.6	\$ 8.2	\$ 7.3

Additional information with respect to stock option activity is as follows:

	Option Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at March 29, 2009	6,551,000	\$ 62.67	7.29	\$ 89.1
Granted	1,384,000	101.89		
Exercised	(1,618,000)	41.64		
Forfeited or expired	(266,000)	90.68		
Outstanding at March 28, 2010	6,051,000	76.21	7.42	303.0
Granted	1,005,000	137.27		
Exercised	(1,567,000)	59.51		
Forfeited or expired	(315,000)	97.45		
Outstanding at April 3, 2011	5,174,000	91.88	7.06	298.7
Granted	1,010,000	160.99		
Exercised	(1,323,000)	73.17		
Forfeited or expired	(126,000)	113.21		
Outstanding at April 1, 2012	<u>4,735,000</u>	111.29	7.29	291.7
Vested or expected to vest at April 3, 2011 ⁽¹⁾	2,570,000	104.14	8.52	116.9
Vested or expected to vest at April 1, 2012 ⁽¹⁾	2,382,000	126.45	8.47	110.7
Exercisable at April 3, 2011	2,346,000	76.39	5.28	171.8
Exercisable at April 1, 2012	2,113,000	90.97	5.77	173.1

(1) Represents outstanding options reduced by expected forfeitures

**1. Summary of Significant
Accounting Policies,
Retirement And Other
Postretirement Benefit Plans
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Pension Plans, Defined Benefit [Member]

Defined Benefit Plan Disclosure

Defined Benefit Plan Contributions By Employer Voluntary \$ 50.0 \$ 100.0 \$ 192.6

Other Postretirement Benefit Plans, Defined Benefit [Member]

Defined Benefit Plan Disclosure

Workforce coverage limit, percentage 25.00%

**13. Commitments and
Contingencies (Details) (USD
\$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

Commitments and Contingencies Disclosure [Abstract]

**Operating Leases, Future Minimum Payments Due Related to Operations
Held for Sale**

\$ 42.8

**Future minimum rental payments under non-cancelable operating
leases**

2013

28.2

2014

22.7

2015

18.5

2016

13.6

2017

9.8

Thereafter

54.6

Total

147.4

Operating Leases, Rent Expense [Abstract]

Operating Leases, Rent Expense, Net

\$ 34.3

\$ 25.0

\$ 22.2

**Consolidated Statements of
Income (USD \$)
In Millions, except Per Share
data, unless otherwise
specified**

12 Months Ended

	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
Net sales	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2
Costs and expenses:			
Cost of goods sold	4,949.3	4,326.7	3,668.8
Selling and administrative expenses	448.1	390.6	367.1
Interest expense	12.8	13.5	16.2
Interest income	(7.6)	(4.5)	(3.1)
Total costs and expenses	5,402.6	4,726.3	4,049.0
Income before income tax expense and equity in earnings of unconsolidated affiliates	1,812.0	1,493.8	1,410.2
Income tax expense	(594.4)	(499.7)	(485.7)
Equity in earnings of unconsolidated affiliates	14.6	16.6	1.4
Net income from continuing operations	1,232.2	1,010.7	925.9
Net (loss) income from discontinued operations	(6.4)	4.1	(3.3)
Net income	1,225.8	1,014.8	922.6
Net income attributable to noncontrolling interest	(1.7)	(1.3)	(0.8)
Net income attributable to Precision Castparts Corp. ("PCC")	\$ 1,224.1	\$ 1,013.5	\$ 921.8
Net income (loss) per common share attributable to PCC shareholders			
- basic:			
Net income per share from continuing operations	\$ 8.52	\$ 7.07	\$ 6.57
Net (loss) income per share from discontinued operations	\$ (0.04)	\$ 0.03	\$ (0.02)
Net income per share (basic)	\$ 8.48	\$ 7.10	\$ 6.55
Net income (loss) per common share attributable to PCC shareholders			
- diluted:			
Net income per share from continuing operations	\$ 8.45	\$ 7.01	\$ 6.51
Net (loss) income per share from discontinued operations	\$ (0.04)	\$ 0.03	\$ (0.02)
Net income per share (diluted)	\$ 8.41	\$ 7.04	\$ 6.49
Weighted average common shares outstanding:			
Basic	144.4	142.7	140.7
Diluted	145.6	143.9	142.1

**Quarterly Financial
Information (Tables)**

[Quarterly Financial Information
Disclosure \[Abstract\]](#)

[Quarterly Financial Information](#)

**24 Months Ended
Apr. 01, 2012**

(Unaudited)
(In millions, except per share data)

2012	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 1,675.3	\$ 1,784.7	\$ 1,805.9	\$ 1,948.7
Gross profit	\$ 525.0	\$ 550.9	\$ 572.3	\$ 617.1
Net income	\$ 286.5	\$ 295.0	\$ 307.7	\$ 336.6
Net income (loss) attributable to PCC shareholders:				
Continuing operations	\$ 285.6	\$ 296.5	\$ 310.0	\$ 338.4
Discontinued operations	0.4	(1.8)	(2.7)	(2.3)
	<u>\$ 286.0</u>	<u>\$ 294.7</u>	<u>\$ 307.3</u>	<u>\$ 336.1</u>
Net income (loss) per share- basic:				
Continuing operations	1.99	2.06	2.15	2.33
Discontinued operations	—	(0.01)	(0.02)	(0.01)
	<u>1.99</u>	<u>2.05</u>	<u>2.13</u>	<u>2.32</u>
Net income (loss) per share- diluted:				
Continuing operations	1.97	2.04	2.13	2.31
Discontinued operations	—	(0.01)	(0.02)	(0.01)
	<u>1.97</u>	<u>2.03</u>	<u>2.11</u>	<u>2.30</u>
Cash dividends per share	0.03	0.03	0.03	0.03
Common stock prices:				
High	165.99	173.98	178.98	179.47
Low	140.42	136.04	139.87	162.07
End	165.84	155.46	164.79	172.90
2011	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	\$ 1,446.8	\$ 1,508.1	\$ 1,590.3	\$ 1,674.9
Gross profit	\$ 450.1	\$ 460.9	\$ 488.6	\$ 493.8
Net income	\$ 235.4	\$ 251.3	\$ 256.9	\$ 271.2
Net income (loss) attributable to PCC shareholders:				
Continuing operations	\$ 236.1	\$ 243.6	\$ 258.7	\$ 271.0
Discontinued operations	(1.1)	7.4	(2.2)	—
	<u>\$ 235.0</u>	<u>\$ 251.0</u>	<u>\$ 256.5</u>	<u>\$ 271.0</u>
Net income (loss) per share- basic:				

Continuing operations	1.66	1.71	1.81	1.89
Discontinued operations	(0.01)	0.05	(0.01)	—
	<u>1.65</u>	<u>1.76</u>	<u>1.80</u>	<u>1.89</u>
Net income (loss) per share-diluted:				
Continuing operations	1.65	1.70	1.80	1.87
Discontinued operations	(0.01)	0.05	(0.02)	—
	<u>1.64</u>	<u>1.75</u>	<u>1.78</u>	<u>1.87</u>
Cash dividends per share	0.03	0.03	0.03	0.03
Common stock prices:				
High	135.40	131.74	145.40	151.96
Low	102.46	100.99	126.90	136.00
End	108.56	131.38	139.21	149.61

(1) *Historical amounts have been restated to present certain businesses as discontinued operations.*

20. Subsequent Event 20.		0 Months Ended			
Subsequent Events, Acquisitions (Details) (Subsequent Event [Member])	Apr. 02, 2012 Rath Gibson [Member] Employees	May 20, 2012 Aerocraft Heat Treating Company [Member] Employees	May 18, 2012 Centra Industries [Member] Employees	May 20, 2012 Dickson Testing Company [Member] Employees	
Subsequent Event [Line Items]					
Business acquisition, effective date of acquisition	4/2/2012		5/18/2012		
Agreement to acquire business, date		May 20, 2012		May 20, 2012	
Number of employees	500	60	400	110	

Consolidated Statements of Equity and Comprehensive Income (USD \$) In Millions, except Share data, unless otherwise specified	Total	Common Stock [Member]	Additional Paid-in Capital [Member]	Retained Earnings [Member]	Accumulated Other Comprehensive (Loss) / Income [Member]	Noncontrolling Interest [Member]	Comprehensive Income [Member]
Balance - value at Mar. 29, 2009	\$ 4,863.1	\$ 139.9	\$ 1,112.7	\$ 3,895.4	\$ (288.2)	\$ 3.3	
Balance - shares at Mar. 29, 2009		139,900,000					
Increase (Decrease) in Stockholders' Equity [Roll Forward]							
Common stock issued pursuant to stock plans - shares		2,000,000					
Common stock issued pursuant to stock plans - value	89.0	2.0	87.0				
Stock-based compensation expense	42.2		42.2				
Tax benefit from stock-based compensation	21.9		21.9				
Cash dividends (\$0.12 per share)	(16.9)			(16.9)			
Distributions to noncontrolling interests	(1.2)					(1.2)	
Net income	922.6			921.8		0.8	922.6
Foreign currency translation adjustments	43.3				43.3		43.3
Gain (loss) on derivatives:							
Unrealized gains (losses) due to periodic revaluations, net of tax	4.5				4.5		4.5
Less: reclassification adjustment for losses (gains) included in net income, net of tax	4.3				4.3		4.3
Pension and post retirement obligations, net of tax	(81.1)				(81.1)		(81.1)
Balance - value at Mar. 28, 2010	5,891.7	141.9	1,263.8	4,800.3	(317.2)	2.9	893.6
Balance - shares at Mar. 28, 2010		141,900,000					
Increase (Decrease) in Stockholders' Equity [Roll Forward]							
Common stock issued pursuant to stock plans - shares		1,800,000					
Common stock issued pursuant to stock plans - value	116.3	1.8	114.5				
Stock-based compensation expense	48.6		48.6				

Tax benefit from stock-based compensation	28.8		28.8				
Cash dividends (\$0.12 per share)	(17.1)			(17.1)			
Distributions to noncontrolling interests	(1.2)					(1.2)	
Net income	1,014.8			1,013.5		1.3	1,014.8
Foreign currency translation adjustments	109.5				109.5		109.5
Gain (loss) on derivatives:							
Unrealized gains (losses) due to periodic revaluations, net of tax	3.7				3.7		3.7
Less: reclassification adjustment for losses (gains) included in net income, net of tax	(4.3)				(4.3)		(4.3)
Pension and post retirement obligations, net of tax	(26.3)				(26.3)		(26.3)
Balance - value at Apr. 03, 2011	7,164.5	143.7	1,455.7	5,796.7	(234.6)	3.0	1,097.4
Balance - shares at Apr. 03, 2011	143,711,541	143,700,000					
Increase (Decrease) in Stockholders' Equity [Roll Forward]							
Common stock issued pursuant to stock plans - shares		1,600,000					
Common stock issued pursuant to stock plans - value	122.1	1.6	120.5				
Stock-based compensation expense	49.4		49.4				
Tax benefit from stock-based compensation	28.0		28.0				
Cash dividends (\$0.12 per share)	(17.3)			(17.3)			
Distributions to noncontrolling interests	(0.6)					(0.6)	
Net income	1,225.8			1,224.1		1.7	1,225.8
Foreign currency translation adjustments	(13.1)				(13.1)		(13.1)
Gain (loss) on derivatives:							
Unrealized gains (losses) due to periodic revaluations, net of tax	(0.8)				(0.8)		(0.8)
Less: reclassification adjustment for losses (gains) included in net income, net of tax	(0.2)				(0.2)		(0.2)
Pension and post retirement obligations, net of tax	(193.0)				(193.0)		(193.0)

<u>Balance - value at Apr. 01, 2012</u>	\$ 8,364.8	\$ 145.3	\$ 1,653.6	\$ 7,003.5	\$ (441.7)	\$ 4.1	\$ 1,018.7
<u>Balance - shares at Apr. 01, 2012</u>	145,257,531	145,300,000					

**19. Segment Information,
Major Customers (Details)**
(USD \$)
In Millions, unless otherwise
specified

12 Months Ended

	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
<u>Entity-Wide Revenue, Major Customer [Line Items]</u>			
<u>Total number of customers accounting for more than 10% of sales</u>	1	1	1
General Electric [Member]			
<u>Entity-Wide Revenue, Major Customer [Line Items]</u>			
<u>Net direct sales to General Electric</u>	\$ 1,108.2	\$ 775.2	\$ 764.8
Investment Cast Products [Member] General Electric [Member]			
<u>Entity-Wide Revenue, Major Customer [Line Items]</u>			
<u>Net direct sales to General Electric</u>	558.9	523.2	494.5
Forged Products [Member] General Electric [Member]			
<u>Entity-Wide Revenue, Major Customer [Line Items]</u>			
<u>Net direct sales to General Electric</u>	464.2	224.5	243.6
Fastener Products [Member] General Electric [Member]			
<u>Entity-Wide Revenue, Major Customer [Line Items]</u>			
<u>Net direct sales to General Electric</u>	\$ 85.1	\$ 27.5	\$ 26.7
Sales [Member] General Electric [Member] Customer Concentration Risk [Member]			
<u>Entity-Wide Revenue, Major Customer [Line Items]</u>			
<u>Net direct sales to General Electric as percentage of total sales</u>	15.40%	12.50%	14.00%

7. Goodwill and Acquired Intangibles, Goodwill (Details) (USD \$) In Millions, unless otherwise specified	12 Months Ended	
	Apr. 01, 2012 Apr. 03, 2011	
<u>Goodwill [Roll Forward]</u>		
<u>Beginning balance</u>	\$ 2,889.2	\$ 2,835.9
<u>Acquired</u>	622.8	28.7
<u>Currency translation and other</u>	2.5	24.6
<u>Ending balance</u>	3,514.5	2,889.2
Investment Cast Products [Member]		
<u>Goodwill [Roll Forward]</u>		
<u>Beginning balance</u>	358.5	336.6
<u>Acquired</u>	0	20.3
<u>Currency translation and other</u>	(20.5)	1.6
<u>Ending balance</u>	338.0	358.5
Forged Products [Member]		
<u>Goodwill [Roll Forward]</u>		
<u>Beginning balance</u>	1,272.0	1,249.8
<u>Acquired</u>	112.5	0
<u>Currency translation and other</u>	23.3	22.2
<u>Ending balance</u>	1,407.8	1,272.0
Fastener Products [Member]		
<u>Goodwill [Roll Forward]</u>		
<u>Beginning balance</u>	1,258.7	1,249.5
<u>Acquired</u>	510.3	8.4
<u>Currency translation and other</u>	(0.3)	0.8
<u>Ending balance</u>	\$ 1,768.7	\$ 1,258.7

**21. Condensed Consolidated
Financial Information,
Balance Sheets (Details)
(USD \$)
In Millions, unless otherwise
specified**

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010 Mar. 29, 2009

Current assets:

<u>Cash and cash equivalents at end of period</u>	\$ 698.7	\$ 1,159.0	\$ 112.4	\$ 554.5
<u>Receivables, net</u>	1,188.4	978.7		
<u>Inventories</u>	1,817.6	1,459.4		
<u>Prepaid expense and other assets, current</u>	29.6	21.0		
<u>Income tax receivable</u>	7.9	20.0		
<u>Discontinued operations</u>	43.6	12.5		
<u>Total current assets</u>	3,785.8	3,650.6		
<u>Property, plant and equipment, net</u>	1,322.2	1,194.8		
<u>Goodwill</u>	3,514.5	2,889.2	2,835.9	
<u>Discontinued operations</u>	70.0	45.3		
<u>Total assets</u>	10,558.8	8,955.9		

Current liabilities:

<u>Long-term debt currently due</u>	0.5	14.7		
<u>Accounts payable</u>	715.2	607.8		
<u>Accrued liabilities</u>	335.2	304.0		
<u>Deferred income taxes</u>	1.4	9.3		
<u>Discontinued operations</u>	18.6	6.2		
<u>Total current liabilities</u>	1,070.9	942.0		
<u>Long-term debt</u>	207.7	221.9		
<u>Deferred income taxes</u>	259.1	194.4		
<u>Pension and other postretirement benefit obligations</u>	358.9	252.5		
<u>Other long-term liabilities</u>	279.6	180.6		
<u>Discontinued operations</u>	17.8	0		
<u>Commitments and contingencies</u>				
<u>Retained earnings</u>	7,003.5	5,796.7		
<u>Accumulated other comprehensive loss</u>	(441.7)	(234.6)		
<u>Total PCC shareholders' equity</u>	8,360.7	7,161.5		
<u>Noncontrolling interest</u>	4.1	3.0		
<u>Total equity</u>	8,364.8	7,164.5	5,891.7	4,863.1
<u>Total liabilities and stockholders' equity</u>	10,558.8	8,955.9		

Consolidated [Member]

Current assets:

<u>Cash and cash equivalents at end of period</u>	698.7	1,159.0	112.4	554.5
<u>Receivables, net</u>	1,188.4	978.7		
<u>Inventories</u>	1,817.6	1,459.4		
<u>Prepaid expense and other assets, current</u>	29.6	21.0		
<u>Income tax receivable</u>	7.9	20.0		

Deferred income taxes	0	0
Discontinued operations	43.6	12.5
Total current assets	3,785.8	3,650.6
Property, plant and equipment, net	1,322.2	1,194.8
Goodwill	3,514.5	2,889.2
Deferred income taxes	0	0
Investments in subsidiaries	0	0
Other assets	1,866.3	1,176.0
Discontinued operations	70.0	45.3
Total assets	10,558.8	8,955.9

[Current liabilities:](#)

Long-term debt currently due	0.5	14.7
Accounts payable	715.2	607.8
Accrued liabilities	335.2	304.0
Income taxes payable	0	0
Deferred income taxes	1.4	9.3
Discontinued operations	18.6	6.2
Total current liabilities	1,070.9	942.0
Long-term debt	207.7	221.9
Deferred income taxes	259.1	194.4
Pension and other postretirement benefit obligations	358.9	252.5
Other long-term liabilities	279.6	180.6
Discontinued operations	17.8	0
Commitments and contingencies		
Total equity	8,364.8	7,164.5
Total liabilities and stockholders' equity	10,558.8	8,955.9

Precision Castparts Corp [Member]

[Current assets:](#)

Cash and cash equivalents at end of period	452.8	940.2	14.8	423.2
Receivables, net	44.3	53.8		
Inventories	0	0		
Prepaid expense and other assets, current	4.4	2.6		
Income tax receivable	22.1	33.6		
Deferred income taxes	8.8	9.6		
Discontinued operations	0	0		
Total current assets	532.4	1,039.8		
Property, plant and equipment, net	1.4	1.3		
Goodwill	0	0		
Deferred income taxes	121.8	75.2		
Investments in subsidiaries	11,340.1	9,269.6		
Other assets	108.8	163.3		
Discontinued operations	0	0		
Total assets	12,104.5	10,549.2		

[Current liabilities:](#)

<u>Long-term debt currently due</u>	0	14.2
<u>Accounts payable</u>	3,290.4	2,949.6
<u>Accrued liabilities</u>	26.7	28.5
<u>Income taxes payable</u>	0	0
<u>Deferred income taxes</u>	0	0
<u>Discontinued operations</u>	0	0
<u>Total current liabilities</u>	3,317.1	2,992.3
<u>Long-term debt</u>	201.6	215.4
<u>Deferred income taxes</u>	0	0
<u>Pension and other postretirement benefit obligations</u>	204.4	163.9
<u>Other long-term liabilities</u>	16.6	13.1
<u>Discontinued operations</u>	0	0
<u>Commitments and contingencies</u>		
<u>Total equity</u>	8,364.8	7,164.5
<u>Total liabilities and stockholders' equity</u>	12,104.5	10,549.2

Guarantor Subsidiaries [Member]

Current assets:

<u>Cash and cash equivalents at end of period</u>	17.6	11.6	1.3	1.9
<u>Receivables, net</u>	4,008.6	3,608.9		
<u>Inventories</u>	1,539.6	1,180.5		
<u>Prepaid expense and other assets, current</u>	14.1	9.0		
<u>Income tax receivable</u>	0	0		
<u>Deferred income taxes</u>	0	0		
<u>Discontinued operations</u>	39.7	6.5		
<u>Total current assets</u>	5,619.6	4,816.5		
<u>Property, plant and equipment, net</u>	1,041.6	909.8		
<u>Goodwill</u>	2,935.8	2,352.2		
<u>Deferred income taxes</u>	0	0		
<u>Investments in subsidiaries</u>	548.4	414.2		
<u>Other assets</u>	1,286.2	523.2		
<u>Discontinued operations</u>	23.3	28.5		
<u>Total assets</u>	11,454.9	9,044.4		

Current liabilities:

<u>Long-term debt currently due</u>	0.3	0.3
<u>Accounts payable</u>	527.8	441.7
<u>Accrued liabilities</u>	247.5	219.7
<u>Income taxes payable</u>	0	0
<u>Deferred income taxes</u>	16.3	23.7
<u>Discontinued operations</u>	6.2	19.6
<u>Total current liabilities</u>	798.1	705.0
<u>Long-term debt</u>	0.3	0.6
<u>Deferred income taxes</u>	339.4	205.9
<u>Pension and other postretirement benefit obligations</u>	136.4	87.5
<u>Other long-term liabilities</u>	228.0	159.1

Discontinued operations	3.1	0		
Commitments and contingencies				
Total equity	9,949.6	7,886.3		
Total liabilities and stockholders' equity	11,454.9	9,044.4		
Non-Guarantor Subsidiaries [Member]				
Current assets:				
Cash and cash equivalents at end of period	228.3	207.2	96.3	129.4
Receivables, net	252.4	125.2		
Inventories	278.0	278.9		
Prepaid expense and other assets, current	11.1	9.4		
Income tax receivable	0	0		
Deferred income taxes	6.1	4.8		
Discontinued operations	101.5	100.0		
Total current assets	877.4	725.5		
Property, plant and equipment, net	279.2	283.7		
Goodwill	578.7	537.0		
Deferred income taxes	0	0		
Investments in subsidiaries	0	0		
Other assets	471.3	489.5		
Discontinued operations	46.7	16.6		
Total assets	2,253.3	2,052.3		
Current liabilities:				
Long-term debt currently due	0.2	0.2		
Accounts payable	111.4	105.2		
Accrued liabilities	62.1	56.9		
Income taxes payable	14.2	13.6		
Deferred income taxes	0	0		
Discontinued operations	12.4	1.0		
Total current liabilities	200.3	176.9		
Long-term debt	5.8	5.9		
Deferred income taxes	41.5	63.5		
Pension and other postretirement benefit obligations	18.1	1.1		
Other long-term liabilities	35.0	8.4		
Discontinued operations	14.7	0		
Commitments and contingencies				
Total equity	1,937.9	1,796.5		
Total liabilities and stockholders' equity	2,253.3	2,052.3		
Consolidation, Eliminations [Member]				
Current assets:				
Cash and cash equivalents at end of period	0	0	0	0
Receivables, net	(3,116.9)	(2,809.2)		
Inventories	0	0		
Prepaid expense and other assets, current	0	0		
Income tax receivable	(14.2)	(13.6)		

<u>Deferred income taxes</u>	(14.9)	(14.4)
<u>Discontinued operations</u>	(97.6)	(94.0)
<u>Total current assets</u>	(3,243.6)	(2,931.2)
<u>Property, plant and equipment, net</u>	0	0
<u>Goodwill</u>	0	0
<u>Deferred income taxes</u>	(121.8)	(75.2)
<u>Investments in subsidiaries</u>	(11,888.5)	(9,683.8)
<u>Other assets</u>	0	0
<u>Discontinued operations</u>	0	0.2
<u>Total assets</u>	(15,253.9)	(12,690.0)
<u>Current liabilities:</u>		
<u>Long-term debt currently due</u>	0	0
<u>Accounts payable</u>	(3,214.4)	(2,888.7)
<u>Accrued liabilities</u>	(1.1)	(1.1)
<u>Income taxes payable</u>	(14.2)	(13.6)
<u>Deferred income taxes</u>	(14.9)	(14.4)
<u>Discontinued operations</u>	0	(14.4)
<u>Total current liabilities</u>	(3,244.6)	(2,932.2)
<u>Long-term debt</u>	0	0
<u>Deferred income taxes</u>	(121.8)	(75.0)
<u>Pension and other postretirement benefit obligations</u>	0	0
<u>Other long-term liabilities</u>	0	0
<u>Discontinued operations</u>	0	0
<u>Commitments and contingencies</u>		
<u>Total equity</u>	(11,887.5)	(9,682.8)
<u>Total liabilities and stockholders' equity</u>	\$ (15,253.9)	\$ (12,690.0)

9. Financing Arrangements (Tables)

**12 Months Ended
Apr. 01, 2012**

[Debt Disclosure \[Abstract\]](#)

[Summary of long-term debt](#)

Long-term debt is summarized as follows:

	April 1, 2012	April 3, 2011
5.60% Public notes due fiscal 2014	\$ 200.0	\$ 200.0
Private notes, retired in November 2011 in advance of August 2014 stated maturity	—	28.5
Other	8.2	8.1
	208.2	236.6
Less: Long-term debt currently due	0.5	14.7
Total	\$ 207.7	\$ 221.9

[Long-term debt future maturities](#)

Long-term debt maturing in each of the next five fiscal years is as follows:

Fiscal	Debt
2013	\$ 0.5
2014	202.0
2015	0.2
2016	5.5
2017	—
Total	\$ 208.2

[Covenant requirements and actual ratios](#)

Our financial covenant requirement and actual ratio as of April 1, 2012 was as follows:

	Covenant Requirement	Actual
Consolidated leverage ratio ¹	65.0% (maximum)	2.4%

(1) *Terms are defined in the New Credit Agreement.*

10. Income Taxes (Details)
(USD \$)
In Millions, unless otherwise
specified

12 Months Ended

	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
<u>Pre-tax income before equity in earnings of unconsolidated affiliates:</u>			
<u>Domestic</u>	\$ 1,582.7	\$ 1,334.8	\$ 1,238.9
<u>Foreign</u>	229.3	159.0	171.3
<u>Income before income tax expense and equity in earnings of unconsolidated affiliates</u>	\$ 1,812.0	\$ 1,493.8	\$ 1,410.2

15. Stock-based Compensation Plans

12 Months Ended
Apr. 01, 2012

[Disclosure of Compensation
Related Costs, Share-based
Payments \[Abstract\]
Stock-based Compensation
Plans](#)

Stock-based compensation plans

We account for our stock based compensation plans in accordance with stock-based compensation guidance, which requires that the compensation cost relating to share-based payment transactions be recognized in the financial statements over the vesting period, with the cost measured based on the estimated fair value of the equity or liability instruments issued.

We have three stock incentive plans for certain officers, key salaried employees and directors: the 1994 Stock Incentive Plan, the 1999 Nonqualified Stock Option Plan, and the 2001 Stock Incentive Plan. Shares authorized under these plans totaled approximately 30,192,000 shares. The plans allow for the grant of stock options, stock bonuses, stock appreciation rights, cash bonus rights and restricted stock.

Stock option awards

The Compensation Committee of the Board of Directors determines awards granted under officer and employee stock option plans. To date, all stock option awards under the stock incentive plans have been nonqualified stock option grants. The Compensation Committee fixes the time limit within which options may be exercised and other stock option terms. To date, option grant prices under the three stock incentive plans have been at the fair market value on the date of grant. Generally, options become exercisable at a rate of 25% each year over four years from the date of grant and expire ten years from the date of grant. Total expense recognized was \$39.7 million, \$37.9 million, and \$32.3 million for fiscal 2012, 2011 and 2010, respectively.

Deferred stock unit awards

The Deferred Stock Unit Award Program provides for the grant of deferred stock units ("DSUs") to non-employee directors pursuant to the 2001 Stock Incentive Plan. At a date immediately following the Annual Meeting of Shareholders, each director is granted DSUs in an amount equal to \$125,000 in fiscal 2012, 2011 and 2010, divided by the closing price of PCC common stock on that date. Under the terms of the program, the units vest over three years, with provisions for accelerated vesting in certain circumstances. The DSUs are settled in shares of common stock equal to the number of units in a director's account at the time of settlement, which is no earlier than upon cessation of board service. At the time of the annual grant, the director will receive the value of the dividends that would have been paid on the stock underlying the DSUs during the year. The value of the dividends is divided by the closing price of PCC common stock to determine the number of units granted. The cost of these awards is determined as the market value of the shares at the date of grant. Total expense recognized was \$0.9 million, \$1.0 million, and \$0.7 million for fiscal 2012, 2011 and 2010, respectively.

Employee stock purchase plan

We have an Employee Stock Purchase Plan ("ESPP") whereby we are authorized to issue shares of common stock to our full-time employees, nearly all of whom are eligible to participate. Under the terms of the plan, employees can choose to have up to 10 percent of their annual base earnings and bonus withheld to purchase PCC common stock subject to limitations established in the Internal Revenue Code. Employees then have the option to use the withheld funds to purchase shares of PCC common stock at the lower of 85 percent of the fair market value of the stock on the date of grant or on the date of purchase. Total expense recognized was \$7.6 million, \$8.2 million, and \$7.3 million for fiscal 2012, 2011 and 2010, respectively.

Deferred compensation plan

We have a deferred compensation plan whereby eligible executives may elect to defer up to 100% of their regular cash compensation and cash incentive awards, and non-employee Board members may elect to defer up to 100% of their cash compensation for Board service. The compensation deferred under this plan is credited with earnings and losses as determined by the rate of return on investments selected by the plan participants. Each participant is fully vested in all deferred compensation and those earnings that have been credited to their individual accounts. Our promise to pay amounts deferred under this plan is an unsecured obligation. Balances at April 1, 2012 and April 3, 2011 of approximately \$66.5 million and \$67.4 million, respectively, are reflected in pension and other postretirement benefit obligations in the Consolidated Balance Sheets.

One investment election of the deferred compensation plan is Phantom Stock Units, an investment that tracks the value of PCC common stock. Investments in Phantom Stock Units are permanent for the remaining period of employment at PCC. Effective March 20, 2009, the deferred compensation plan was amended such that payment of investments in Phantom Stock Units following retirement or termination of employment is made only in shares of PCC common stock. Under the amended plan, Phantom Stock Units are accounted for as equity awards. The stock based compensation expense is calculated at the date of purchase of Phantom Stock Units and recorded as additional paid in capital. At April 1, 2012 and April 3, 2011, there was \$9.0 million and \$8.3 million, respectively, of deferred compensation related to Phantom Stock Units included in additional paid-in capital. Phantom Stock Units for retirees receiving payments under the deferred compensation plan prior to March 20, 2009 continue to be accounted for as liability awards as they were grandfathered under the former plan. The change in market value of Phantom Stock Units accounted for as liability awards are recognized in the consolidated statement of income. We recognized expense of approximately \$0.2 million, \$0.3 million, and \$0.8 million in fiscal 2012, 2011 and 2010, respectively.

The total amount of cash received from the exercise of stock options was \$96.8 million, \$93.3 million, and \$67.4 million in fiscal 2012, 2011 and 2010, respectively. The related tax benefit was \$38.1 million, \$38.5 million, and \$30.0 million in fiscal 2012, 2011 and 2010, respectively.

The outstanding options for stock incentive plan shares have expiration dates ranging from fiscal 2013 to fiscal 2022. At April 1, 2012, approximately 3,915,000 stock incentive plan shares were available for future grants.

There were approximately 215,000 shares issued under the 2008 ESPP during the year ended April 1, 2012. At April 1, 2012, there were approximately 1,735,000 shares available for issuance under the 2008 Employee Stock Purchase Plan.

The following table sets forth total stock-based compensation expense and related tax benefit recognized in the Consolidated Statements of Income:

Fiscal	2012	2011	2010
Cost of goods sold	\$ 16.6	\$ 16.9	\$ 12.7
Selling and administrative expenses	31.8	30.4	28.4
Stock-based compensation expense before income taxes	48.4	47.3	41.1
Income tax benefit	(15.0)	(13.6)	(12.4)
Total stock-based compensation expense after income taxes	\$ 33.4	\$ 33.7	\$ 28.7

No stock-based compensation expense was capitalized in fiscal 2012, 2011 or 2010 as it was not material. As of April 1, 2012, we had \$89.3 million of total unrecognized stock-based compensation expense, net of estimated forfeitures, to be recognized over a weighted average period of 2.9 years.

The fair value of the stock-based awards, as determined under the Black-Scholes valuation model, was estimated using the weighted-average assumptions outlined below:

Fiscal	2012	2011	2010
Stock option plans:			
Risk-free interest rate	0.7%	1.0%	1.9%
Expected dividend yield	0.1%	0.1%	0.1%
Expected volatility	42.7%	44.0%	43.8%
Expected life (in years)	3.0 – 4.4	3.0 – 4.4	2.7 – 4.4
Employee Stock Purchase Plan:			
Risk-free interest rate	0.3%	0.4%	0.4%
Expected dividend yield	0.1%	0.1%	0.2%
Expected volatility	29.9%	38.4%	40.4%
Expected life (in years)	1.0	1.0	1.0

We use the U.S. Treasury (constant maturity) interest rate as the risk-free interest rate, and we use 4-year historical volatility for stock option plans and 1-year historical volatility for the Employee Stock Purchase Plan as the expected volatility. Our determination of expected terms and estimated pre-vesting forfeitures is based on an analysis of historical and expected patterns.

The weighted-average fair value of stock-based compensation awards granted and the intrinsic value of options exercised during the period were:

Fiscal	2012	2011	2010
Stock option plans:			
Grant date fair value per share	\$ 55.81	\$ 48.81	\$ 37.25
Total fair value of awards granted	\$ 56.4	\$ 49.1	\$ 51.8
Total intrinsic value of options exercised	\$ 120.4	\$ 119.4	\$ 93.4
Employee Stock Purchase Plan:			
Grant date fair value per share	\$ 36.95	\$ 33.33	\$ 21.68
Total fair value	\$ 7.6	\$ 8.2	\$ 7.3

Additional information with respect to stock option activity is as follows:

	Option Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at March 29, 2009	6,551,000	\$ 62.67	7.29	\$ 89.1
Granted	1,384,000	101.89		
Exercised	(1,618,000)	41.64		
Forfeited or expired	(266,000)	90.68		
Outstanding at March 28, 2010	6,051,000	76.21	7.42	303.0
Granted	1,005,000	137.27		
Exercised	(1,567,000)	59.51		
Forfeited or expired	(315,000)	97.45		
Outstanding at April 3, 2011	5,174,000	91.88	7.06	298.7
Granted	1,010,000	160.99		

Exercised	(1,323,000)	73.17		
Forfeited or expired	(126,000)	113.21		
Outstanding at April 1, 2012	<u>4,735,000</u>	111.29	7.29	291.7
Vested or expected to vest at April 3, 2011 ⁽¹⁾	2,570,000	104.14	8.52	116.9
Vested or expected to vest at April 1, 2012 ⁽¹⁾	2,382,000	126.45	8.47	110.7
Exercisable at April 3, 2011	2,346,000	76.39	5.28	171.8
Exercisable at April 1, 2012	2,113,000	90.97	5.77	173.1

(1) Represents outstanding options reduced by expected forfeitures

10. Income Taxes (Tables)

**12 Months Ended
Apr. 01, 2012**

Income Tax Disclosure [Abstract]

Pre-tax income before equity in earnings of unconsolidated affiliates

Total pre-tax income before equity in earnings of unconsolidated affiliates was:

Fiscal	2012	2011	2010
Domestic	\$ 1,582.7	\$ 1,334.8	\$ 1,238.9
Foreign	229.3	159.0	171.3
Total pretax income	<u>\$ 1,812.0</u>	<u>\$ 1,493.8</u>	<u>\$ 1,410.2</u>

Provision for income taxes

The provision for income taxes consisted of the following:

Fiscal	2012	2011	2010
Current taxes:			
Federal	\$ 432.6	\$ 341.0	\$ 264.3
Foreign	43.3	44.4	29.2
State	48.7	37.8	35.3
	<u>524.6</u>	<u>423.2</u>	<u>328.8</u>
Deferred income taxes	69.8	76.5	156.9
Provision for income taxes	<u>\$ 594.4</u>	<u>\$ 499.7</u>	<u>\$ 485.7</u>

Reconciliation of the U.S. federal statutory rate to the effective income tax rate

A reconciliation of the U.S. federal statutory rate to the effective income tax rate follows:

Fiscal	2012	2011	2010
Statutory federal rate	35.0 %	35.0 %	35.0 %
Effect of:			
State taxes, net of federal benefit	1.8 %	2.1 %	2.0 %
Domestic manufacturing deduction	(2.4)%	(2.4)%	(1.3)%
Earnings taxed at different rates in foreign jurisdictions	(1.0)%	(0.9)%	(1.4)%
Other	(0.6)%	(0.3)%	0.1 %
Effective rate	<u>32.8 %</u>	<u>33.5 %</u>	<u>34.4 %</u>

Significant components of deferred tax assets and liabilities

Significant components of our deferred tax assets and liabilities were as follows:

	April 1, 2012	April 3, 2011
Deferred tax assets arising from:		
Expense accruals and reserves	\$ 97.5	\$ 56.9
Acquired loss contracts liabilities	47.1	35.7
Stock options	29.5	26.9

Post-retirement benefits other than pensions	98.3	89.6
Pension accruals	37.2	—
Net operating and capital loss carryforwards	71.0	56.4
Tax credit carryforwards	6.5	3.0
Valuation allowances	(55.2)	(53.1)
Gross deferred tax assets	331.9	215.4
Deferred tax liabilities arising from:		
Depreciation/amortization	(355.6)	(177.6)
Goodwill	(177.7)	(147.6)
Inventory basis differences	(59.1)	(55.7)
Pension accruals	—	(38.2)
Gross deferred tax liabilities	(592.4)	(419.1)
Net deferred tax liabilities	\$ (260.5)	\$ (203.7)

[Summary of activity related to reserve for unrecognized tax benefits](#)

The following table summarizes the activity related to our reserve for unrecognized tax benefits:

	April 1, 2012	April 3, 2011	March 28, 2010
Beginning Balance	\$ 12.3	\$ 25.4	\$ 28.5
Gross increases related to prior period tax positions	4.0	9.8	24.7
Gross decreases related to prior period tax positions	(0.3)	(18.9)	(21.9)
Gross increases related to current period tax positions	0.7	1.6	3.7
Decreases related to settlements with tax authorities	(3.7)	(5.4)	(9.3)
Expiration of the statute of limitations for assessment of taxes	(0.1)	(0.2)	(0.3)
Ending Balance	<u>\$ 12.9</u>	<u>\$ 12.3</u>	<u>\$ 25.4</u>

21. Condensed Consolidated Financial Information, Statements of Income (Details) (USD \$) In Millions, unless otherwise specified	3 Months Ended								12 Months Ended		
	Apr. 01, 2012	Jan. 01, 2012	Oct. 02, 2011	Jul. 03, 2011	Apr. 03, 2011	Jan. 02, 2011	Sep. 26, 2010	Jun. 27, 2010	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
Condensed Financial Statements, Captions [Line Items]											
Net sales	\$ 1,948.7	\$ 1,805.9	\$ 1,784.7	\$ 1,675.3	\$ 1,674.9	\$ 1,590.3	\$ 1,508.1	\$ 1,446.8	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2
Costs and expenses:											
Cost of goods sold									4,949.3	4,326.7	3,668.8
Selling and administrative expenses									448.1	390.6	367.1
Interest (income) expense, net									5.2	9.0	13.1
Costs and Expenses									5,402.6	4,726.3	4,049.0
Income before income tax expense and equity in earnings of unconsolidated affiliates									1,812.0	1,493.8	1,410.2
Income tax expense									594.4	499.7	485.7
Equity in earnings of unconsolidated affiliates									14.6	16.6	1.4
Net income from continuing operations									1,232.2	1,010.7	925.9
Net (loss) income from discontinued operations									(6.4)	4.1	(3.3)
Net income	336.6	307.7	295.0	286.5	271.2	256.9	251.3	235.4	1,225.8	1,014.8	922.6
Net income attributable to noncontrolling interest									(1.7)	(1.3)	(0.8)
Net income attributable to Precision Castparts Corp. ("PCC")	336.1	307.3	294.7	286.0	271.0	256.5	251.0	235.0	1,224.1	1,013.5	921.8
Consolidated [Member]											
Condensed Financial Statements, Captions [Line Items]											
Net sales									7,214.6	6,220.1	5,459.2
Costs and expenses:											
Cost of goods sold									4,949.3	4,326.7	3,668.8
Selling and administrative expenses									448.1	390.6	367.1
Other (income) expense									0	0	0
Interest (income) expense, net									5.2	9.0	13.1
Equity in earnings of subsidiaries									0	0	0
Costs and Expenses									5,402.6	4,726.3	4,049.0

Income before income tax expense and equity in earnings of unconsolidated affiliates	1,812.0	1,493.8	1,410.2
Income tax expense	594.4	499.7	485.7
Equity in earnings of unconsolidated affiliates	14.6	16.6	1.4
Net income from continuing operations	1,232.2	1,010.7	925.9
Net (loss) income from discontinued operations	(6.4)	4.1	(3.3)
Net income	1,225.8	1,014.8	922.6
Net income attributable to noncontrolling interest	(1.7)	(1.3)	(0.8)
Net income attributable to Precision Castparts Corp. ("PCC")	1,224.1	1,013.5	921.8
Precision Castparts Corp [Member]			
Condensed Financial Statements, Captions [Line Items]			
Net sales	0	0	0
Costs and expenses:			
Cost of goods sold	16.6	16.9	12.6
Selling and administrative expenses	97.1	86.8	84.8
Other (income) expense	1.2	0.9	(0.5)
Interest (income) expense, net	(51.6)	(48.4)	(45.8)
Equity in earnings of subsidiaries	(1,256.5)	(1,043.3)	(913.9)
Costs and Expenses	(1,193.2)	(987.1)	(862.8)
Income before income tax expense and equity in earnings of unconsolidated affiliates	1,193.2	987.1	862.8
Income tax expense	(30.9)	(26.4)	(59.0)
Equity in earnings of unconsolidated affiliates	0	0	0
Net income from continuing operations	1,224.1	1,013.5	921.8
Net (loss) income from discontinued operations	0	0	0
Net income	1,224.1	1,013.5	921.8
Net income attributable to noncontrolling interest	0	0	0
Net income attributable to Precision Castparts Corp. ("PCC")	1,224.1	1,013.5	921.8
Guarantor Subsidiaries [Member]			

**Condensed Financial
Statements, Captions [Line
Items]**

<u>Net sales</u>	6,026.3	5,227.5	4,544.1
<u>Costs and expenses:</u>			
<u>Cost of goods sold</u>	4,097.3	3,586.4	3,021.9
<u>Selling and administrative expenses</u>	268.4	230.0	196.4
<u>Other (income) expense</u>	(5.7)	(3.3)	(2.9)
<u>Interest (income) expense, net</u>	64.1	61.0	61.5
<u>Equity in earnings of subsidiaries</u>	(79.9)	(38.3)	(8.2)
<u>Costs and Expenses</u>	4,344.2	3,835.8	3,268.7
<u>Income before income tax expense and equity in earnings of unconsolidated affiliates</u>	1,682.1	1,391.7	1,275.4
<u>Income tax expense</u>	558.9	473.3	505.5
<u>Equity in earnings of unconsolidated affiliates</u>	1.4	0.8	0
<u>Net income from continuing operations</u>	1,124.6	919.2	769.9
<u>Net (loss) income from discontinued operations</u>	1.5	8.2	5.1
<u>Net income</u>	1,126.1	927.4	775.0
<u>Net income attributable to noncontrolling interest</u>	0	0	(0.5)
<u>Net income attributable to Precision Castparts Corp. ("PCC")</u>	1,126.1	927.4	774.5

Non-Guarantor Subsidiaries
[Member]

**Condensed Financial
Statements, Captions [Line
Items]**

<u>Net sales</u>	1,512.8	1,273.8	1,105.5
<u>Costs and expenses:</u>			
<u>Cost of goods sold</u>	1,159.9	1,004.6	824.7
<u>Selling and administrative expenses</u>	82.6	73.8	85.9
<u>Other (income) expense</u>	4.5	2.4	3.4
<u>Interest (income) expense, net</u>	(7.3)	(3.6)	(2.6)
<u>Equity in earnings of subsidiaries</u>	0	0	0
<u>Costs and Expenses</u>	1,239.7	1,077.2	911.4
<u>Income before income tax expense and equity in earnings of unconsolidated affiliates</u>	273.1	196.6	194.1
<u>Income tax expense</u>	66.4	52.8	39.2

Equity in earnings of unconsolidated affiliates	13.2	15.8	1.4
Net income from continuing operations	219.9	159.6	156.3
Net (loss) income from discontinued operations	(7.9)	(4.1)	(8.4)
Net income	212.0	155.5	147.9
Net income attributable to noncontrolling interest	(1.7)	(1.3)	(0.3)
Net income attributable to Precision Castparts Corp. ("PCC")	210.3	154.2	147.6
Consolidation, Eliminations [Member]			
Condensed Financial Statements, Captions [Line Items]			
Net sales	(324.5)	(281.2)	(190.4)
Costs and expenses:			
Cost of goods sold	(324.5)	(281.2)	(190.4)
Selling and administrative expenses	0	0	0
Other (income) expense	0	0	0
Interest (income) expense, net	0	0	0
Equity in earnings of subsidiaries	1,336.4	1,081.6	922.1
Costs and Expenses	1,011.9	800.4	731.7
Income before income tax expense and equity in earnings of unconsolidated affiliates	(1,336.4)	(1,081.6)	(922.1)
Income tax expense	0	0	0
Equity in earnings of unconsolidated affiliates	0	0	0
Net income from continuing operations	(1,336.4)	(1,081.6)	(922.1)
Net (loss) income from discontinued operations	0	0	0
Net income	(1,336.4)	(1,081.6)	(922.1)
Net income attributable to noncontrolling interest	0	0	0
Net income attributable to Precision Castparts Corp. ("PCC")	\$ (1,336.4)	\$ (1,081.6)	\$ (922.1)

17. Derivatives and Hedging Activities

12 Months Ended
Apr. 01, 2012

General Discussion of Derivative Instruments and Hedging Activities [Abstract]

Derivatives and Hedging Activities

Derivatives and hedging activities

We hold and issue derivative financial instruments for the purpose of hedging the risks of certain identifiable and anticipated transactions and to protect our investments in foreign subsidiaries. In general, the types of risks hedged are those relating to the variability of future earnings and cash flows caused by movements in foreign currency exchange rates and changes in commodity prices and interest rates. We document our risk management strategy and hedge effectiveness at the inception of and during the term of each hedge.

Derivative financial instruments are recorded in the financial statements and measured at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income or shareholders' equity (as a component of accumulated other comprehensive income (loss)) depending on whether the derivative is being used to hedge changes in fair value, cash flows, or a net investment in a foreign operation. In the normal course of business, we execute the following types of hedge transactions:

Fair value hedges

We have sales and purchase commitments denominated in foreign currencies. Foreign currency forward contracts are used to hedge against the risk of change in the fair value of these commitments attributable to fluctuations in exchange rates. We also have exposure to fluctuations in interest rates. Interest rate swaps are used to hedge against the risk of changes in the fair value of fixed rate borrowings attributable to changes in interest rates. Changes in the fair value of the derivative instrument are offset in the income statement by changes in the fair value of the item being hedged.

Net investment hedges

We use foreign currency forward contracts designated as net investment hedges to hedge net investments in certain foreign subsidiaries whose functional currency is the local currency. The effective portion of the gains and losses on net investment hedge transactions are reported in cumulative translation adjustment as a component of shareholders' equity.

Cash flow hedges

We have exposure to fluctuations in foreign currency exchange rates. Foreign currency forward contracts and options are used to hedge the variability in cash flows from forecast receipts or expenditures denominated in currencies other than the functional currency. We also have exposure to fluctuations in commodity prices. Commodity swaps are used to hedge against the variability in cash flows from forecasted commodity purchases. For cash flow hedge transactions, changes in the fair value of the derivative instruments are reported in accumulated other comprehensive income (loss). The gains and losses on cash flow hedge transactions that are reported in accumulated other comprehensive income (loss) are reclassified to earnings in the periods in which earnings are affected by the variability of the cash flows of the hedged item. The ineffective portions of all hedges are recognized in current period earnings.

We formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are designated as hedging instruments have been highly effective in offsetting changes in the cash flows of hedged items and whether those derivatives may be expected to remain highly effective in future periods. When it is determined that a derivative is not, or has ceased to be, highly effective as a hedge, we discontinue hedge accounting prospectively.

As of April 1, 2012, there were \$0.9 million of deferred net gains (pre-tax) relating to derivative activity in accumulated other comprehensive loss that are expected to be transferred to net earnings over the next twelve months when the forecasted transactions actually occur. As of April 1, 2012, the maximum term over which we are hedging exposures to the variability of cash

flows for all forecasted and recorded transactions is 15 months. The amount of net notional foreign exchange contracts outstanding as of April 1, 2012 was approximately \$440 million. We believe that there is no significant credit risk associated with the potential failure of any counterparty to perform under the terms of any derivative financial instrument.

Derivative instruments are measured at fair value within the consolidated balance sheet either as assets or liabilities. As of April 1, 2012, accounts receivable included foreign exchange contracts of \$2.5 million and other assets included interest rate swap contracts of \$1.6 million. As of April 1, 2012, accounts payable included foreign exchange contracts of \$1.9 million. As of April 3, 2011, accounts receivable included foreign exchange contracts of \$3.8 million and commodity swap contracts of \$2.6 million, and debt included interest rate swap contracts of \$1.1 million. As of April 3, 2011, accounts payable included foreign exchange contracts of \$3.3 million.

For the years ended April 1, 2012, April 3, 2011 and March 28, 2010, we recognized \$3.8 million, \$9.9 million and \$3.5 million of gains, respectively, in the consolidated statements of income for derivatives designated as hedging instruments. For the years ended April 1, 2012, April 3, 2011 and March 28, 2010, we recognized \$2.1 million of losses, \$8.6 million of gains, and \$12.4 million of losses, respectively, in the consolidated statements of income for derivatives not designated as hedging instruments. The ineffective portion of gains and losses relating to derivatives designated as hedging instruments in fiscal 2012, 2011 or 2010 was not significant.

10. Income Taxes, Deferred Taxes (Details) (USD \$) In Millions, unless otherwise specified	12 Months Ended Apr. 01, 2012	Apr. 03, 2011
<u>Income Taxes [Line Items]</u>		
<u>Net change for total valuation allowances</u>	\$ 2.1	
<u>Net operating loss carryforward and tax credit carryforward, amount</u>	23.4	
<u>Net operating loss carryforward and tax credit carryforward, valuation allowances</u>	7.6	
<u>Deferred tax assets arising from:</u>		
<u>Expense accruals and reserves</u>	97.5	56.9
<u>Acquired loss contracts liabilities</u>	47.1	35.7
<u>Stock options</u>	29.5	26.9
<u>Post-retirement benefits other than pensions</u>	98.3	89.6
<u>Pension accruals</u>	37.2	0
<u>Net operating and capital loss carryforwards</u>	71.0	56.4
<u>Tax credit carryforwards</u>	6.5	3.0
<u>Valuation allowances</u>	(55.2)	(53.1)
<u>Gross deferred tax assets</u>	331.9	215.4
<u>Deferred tax liabilities arising from:</u>		
<u>Depreciation/amortization</u>	(355.6)	(177.6)
<u>Goodwill</u>	(177.7)	(147.6)
<u>Inventory basis differences</u>	(59.1)	(55.7)
<u>Pension accruals</u>	0	(38.2)
<u>Gross deferred tax liabilities</u>	(592.4)	(419.1)
<u>Net deferred tax liabilities</u>	(260.5)	(203.7)
Foreign Company Tax Losses [Member]		
<u>Income Taxes [Line Items]</u>		
<u>Net change for total valuation allowances</u>	(4.8)	
US Capital Losses [Member]		
<u>Income Taxes [Line Items]</u>		
<u>Net change for total valuation allowances</u>	\$ 6.2	

**Consolidated Statements of
Equity and Comprehensive
Income (Parentheticals)
(USD \$)
In Millions, except Per Share
data, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

<u>Cash dividends per share</u>	\$ 0.12	\$ 0.12	\$ 0.12
<u>Income tax (benefit) expense of periodic revaluation related to unrealized gain (loss) on derivatives</u>	\$ (0.5)	\$ (0.1)	\$ 3.0
<u>Income tax expense (benefit) related to reclassification adjustment for accumulated gains and losses from derivative instruments</u>	0.1	2.0	(1.4)
<u>Pension and postretirement obligations tax benefit</u>	\$ (98.4)	\$ (14.5)	\$ (38.8)

Consolidated Balance Sheets
(USD \$)
In Millions, unless otherwise
specified

Apr. 01, Apr. 03,
2012 2011

Current assets:

<u>Cash and cash equivalents</u>	\$ 698.7	\$ 1,159.0
<u>Receivables, net of allowance of \$3.9 in 2012 and \$2.5 in 2011</u>	1,188.4	978.7
<u>Inventories</u>	1,817.6	1,459.4
<u>Prepaid expenses and other current assets</u>	29.6	21.0
<u>Income tax receivable</u>	7.9	20.0
<u>Discontinued operations</u>	43.6	12.5
<u>Total current assets</u>	3,785.8	3,650.6

Property, plant and equipment:

<u>Land</u>	91.2	86.2
<u>Buildings and improvements</u>	357.3	332.6
<u>Machinery and equipment</u>	2,015.2	1,856.0
<u>Construction in progress</u>	144.8	85.4
<u>Property, plant and equipment, gross</u>	2,608.5	2,360.2
<u>Accumulated depreciation</u>	(1,286.3)	(1,165.4)
<u>Net property, plant and equipment</u>	1,322.2	1,194.8
<u>Goodwill</u>	3,514.5	2,889.2
<u>Acquired intangible assets, net</u>	1,228.1	455.1
<u>Investment in unconsolidated affiliates</u>	442.8	411.9
<u>Other assets</u>	195.4	309.0
<u>Discontinued operations</u>	70.0	45.3
<u>Total assets</u>	10,558.8	8,955.9

Current liabilities:

<u>Long-term debt currently due</u>	0.5	14.7
<u>Accounts payable</u>	715.2	607.8
<u>Accrued liabilities</u>	335.2	304.0
<u>Deferred income taxes</u>	1.4	9.3
<u>Discontinued operations</u>	18.6	6.2
<u>Total current liabilities</u>	1,070.9	942.0
<u>Long-term debt</u>	207.7	221.9
<u>Pension and other postretirement benefit obligations</u>	358.9	252.5
<u>Other long-term liabilities</u>	279.6	180.6
<u>Deferred income taxes</u>	259.1	194.4
<u>Discontinued operations</u>	17.8	0

Commitments and contingencies (See Notes)

Shareholders' equity:

<u>Preferred stock, no par, 1,000,000 shares authorized and unissued in 2012 and 2011</u>	0	0
<u>Common stock, \$1 stated value, authorized: 450,000,000 shares; issued and outstanding: 145,257,531 and 143,711,541 shares in 2012 and 2011</u>	145.3	143.7

Paid-in capital	1,653.6	1,455.7
Retained earnings	7,003.5	5,796.7
Accumulated other comprehensive loss	(441.7)	(234.6)
Total PCC shareholders' equity	8,360.7	7,161.5
Noncontrolling interest	4.1	3.0
Total equity	8,364.8	7,164.5
Total liabilities and stockholders' equity	\$	\$
	10,558.8	8,955.9

10. Income Taxes

12 Months Ended
Apr. 01, 2012

[Income Tax Disclosure](#)

[\[Abstract\]](#)

[Income Taxes](#)

Income taxes

Total pre-tax income before equity in earnings of unconsolidated affiliates was:

Fiscal	2012	2011	2010
Domestic	\$ 1,582.7	\$ 1,334.8	\$ 1,238.9
Foreign	229.3	159.0	171.3
Total pretax income	<u>\$ 1,812.0</u>	<u>\$ 1,493.8</u>	<u>\$ 1,410.2</u>

The provision for income taxes consisted of the following:

Fiscal	2012	2011	2010
Current taxes:			
Federal	\$ 432.6	\$ 341.0	\$ 264.3
Foreign	43.3	44.4	29.2
State	48.7	37.8	35.3
	<u>524.6</u>	<u>423.2</u>	<u>328.8</u>
Deferred income taxes	69.8	76.5	156.9
Provision for income taxes	<u>\$ 594.4</u>	<u>\$ 499.7</u>	<u>\$ 485.7</u>

We have not provided U.S. income taxes on cumulative earnings of non-U.S. affiliates and associated companies that have been reinvested indefinitely. These earnings relate to ongoing operations and, at April 1, 2012, were approximately \$866 million. Most of these earnings have been reinvested in active non-U.S. business operations, and we do not intend to use these earnings as a source of funding for U.S. operations. Because of the availability of U.S. foreign tax credits, it is not practicable to determine the U.S. federal income tax liability that would be payable if such earnings were not reinvested indefinitely.

A reconciliation of the U.S. federal statutory rate to the effective income tax rate follows:

Fiscal	2012	2011	2010
Statutory federal rate	35.0 %	35.0 %	35.0 %
Effect of:			
State taxes, net of federal benefit	1.8 %	2.1 %	2.0 %
Domestic manufacturing deduction	(2.4)%	(2.4)%	(1.3)%
Earnings taxed at different rates in foreign jurisdictions	(1.0)%	(0.9)%	(1.4)%
Other	(0.6)%	(0.3)%	0.1 %
Effective rate	<u>32.8 %</u>	<u>33.5 %</u>	<u>34.4 %</u>

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases, as well as from net operating loss and tax credit carryforwards, and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered. Deferred income tax assets and liabilities represent amounts available to reduce or increase taxes payable on taxable income in future years. We evaluate the recoverability of these future tax deductions and credits by assessing the adequacy of future expected taxable income from all sources, including carrybacks (if applicable), reversal of taxable temporary differences, forecasted operating earnings and available tax planning strategies. To the extent we do not consider it more likely than not that a deferred tax asset will be recovered, a valuation allowance is established.

Significant components of our deferred tax assets and liabilities were as follows:

	April 1, 2012	April 3, 2011
Deferred tax assets arising from:		
Expense accruals and reserves	\$ 97.5	\$ 56.9
Acquired loss contracts liabilities	47.1	35.7
Stock options	29.5	26.9
Post-retirement benefits other than pensions	98.3	89.6
Pension accruals	37.2	—
Net operating and capital loss carryforwards	71.0	56.4
Tax credit carryforwards	6.5	3.0
Valuation allowances	(55.2)	(53.1)
Gross deferred tax assets	331.9	215.4
Deferred tax liabilities arising from:		
Depreciation/amortization	(355.6)	(177.6)
Goodwill	(177.7)	(147.6)
Inventory basis differences	(59.1)	(55.7)
Pension accruals	—	(38.2)
Gross deferred tax liabilities	(592.4)	(419.1)
Net deferred tax liabilities	\$ (260.5)	\$ (203.7)

The valuation allowances for deferred tax assets as of April 1, 2012 were \$55.2 million. The net change for total valuation allowances for the year ended April 1, 2012 was an increase of \$2.1 million, including a \$6.2 million increase from U.S. capital losses and a \$4.8 million decrease from foreign company tax losses used or eliminated through legal entity liquidations. As of April 1, 2012, we had net operating loss, capital loss and tax credit carryforward benefits of approximately \$23.4 million that expire in the fiscal years ending March 2013 through March 2033. For financial reporting purposes, valuation allowances of \$7.6 million were recognized to offset the deferred tax asset relating to those carryforward benefits.

Uncertain Tax Positions

The following table summarizes the activity related to our reserve for unrecognized tax benefits:

	April 1, 2012	April 3, 2011	March 28, 2010
Beginning Balance	\$ 12.3	\$ 25.4	\$ 28.5
Gross increases related to prior period tax positions	4.0	9.8	24.7

Gross decreases related to prior period tax positions	(0.3)	(18.9)	(21.9)
Gross increases related to current period tax positions	0.7	1.6	3.7
Decreases related to settlements with tax authorities	(3.7)	(5.4)	(9.3)
Expiration of the statute of limitations for assessment of taxes	(0.1)	(0.2)	(0.3)
Ending Balance	<u>\$ 12.9</u>	<u>\$ 12.3</u>	<u>\$ 25.4</u>

Our policy is to recognize interest and penalties accrued on uncertain tax positions as part of the provision for income taxes. During the years ended April 1, 2012, April 3, 2011 and March 28, 2010, the amount of tax expense recognized related to interest and penalties was immaterial. The reserve for uncertain tax positions as of April 1, 2012 and April 3, 2011 included an accrual for interest and penalties of \$3.1 million and \$0.9 million, respectively.

We file income tax returns in the U.S. federal jurisdiction, the United Kingdom, and other state, local, and foreign jurisdictions. As of April 1, 2012, the U.S. Internal Revenue Service has completed examinations of tax years through March 29, 2009, except for tax years ended April 2, 2006 and April 1, 2007 to the extent of refund claims submitted to the Joint Committee on Taxation. We are no longer subject to examination in the United Kingdom for fiscal years prior to 2010. For other state, local, and foreign jurisdictions, with few exceptions, the statutes of limitation are closed for all tax years through April 2, 2006.

Included in the reserve for uncertain tax positions at April 1, 2012 and April 3, 2011 are \$4.3 million and \$4.7 million, respectively, of unrecognized tax benefits that, if recognized, would impact the effective tax rate. We estimate that within the next twelve months, the reserve for uncertain tax positions could change by \$0 to \$1.4 million. The tax matters associated with these uncertain tax positions primarily relate to U.S. taxation of foreign income and state tax positions in various states. These tax matters are currently under audit; however, we cannot reasonably predict the timing or ultimate outcome of these matters.

19. Segment Information (Details) (USD \$) In Millions, unless otherwise specified	3 Months Ended							12 Months Ended			
	Apr. 01, 2012	Jan. 01, 2012	Oct. 02, 2011	Jul. 03, 2011	Apr. 03, 2011	Jan. 02, 2011	Sep. 26, 2010	Jun. 27, 2010	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
Segment Reporting											
Information [Line Items]											
Net sales	\$ 1,948.7	\$ 1,805.9	\$ 1,784.7	\$ 1,675.3	\$ 1,674.9	\$ 1,590.3	\$ 1,508.1	\$ 1,446.8	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2
Intercompany sales									1,338.8	1,078.4	987.4
Segment operating income									1,817.2	1,502.8	1,423.3
Interest (income) expense, net									5.2	9.0	13.1
Income before income tax											
expense and equity in earnings									1,812.0	1,493.8	1,410.2
of unconsolidated affiliates											
Depreciation and amortization									169.8	163.8	151.8
expense											
Payments to Acquire Property,									192.1	120.4	169.5
Plant, and Equipment											
Segment Reporting	10,558.8				8,955.9				10,558.8	8,955.9	
Information, Assets											
Investment in unconsolidated	442.8				411.9				442.8	411.9	
affiliates											
Investment Cast Products											
[Member]											
Segment Reporting											
Information [Line Items]											
Revenues From Transactions											
With Other Operating									47.5	33.2	26.3
Segments Of Same Entity											
Net sales									2,326.9	2,095.6	1,851.3
Intercompany sales									295.5	[1],[2] 238.8	[1],[2] 199.1
Segment operating income									766.4	665.5	560.0
Depreciation and amortization									35.1	34.9	35.7
expense											
Payments to Acquire Property,									48.1	28.5	28.5
Plant, and Equipment											
Segment Reporting	1,372.6				1,301.9				1,372.6	1,301.9	
Information, Assets											
Forged Products [Member]											
Segment Reporting											
Information [Line Items]											
Revenues From Transactions											
With Other Operating									84.2	65.2	64.1
Segments Of Same Entity											
Net sales									3,189.5	2,779.7	2,283.0
Intercompany sales									927.4	[1],[3] 740.2	[1],[3] 703.4
Segment operating income									686.2	539.4	529.7
Depreciation and amortization									88.1	87.7	75.2
expense											
Payments to Acquire Property,									75.4	65.5	81.7
Plant, and Equipment											
Segment Reporting	4,869.3	[4]			4,174.3	[4]			4,869.3	[4]	4,174.3
Information, Assets											
Investment in unconsolidated	441.5				410.5				441.5	410.5	
affiliates											
Fastener Products [Member]											

Segment Reporting**Information [Line Items]**Revenues From TransactionsWith Other OperatingSegments Of Same EntityNet salesIntercompany salesSegment operating incomeDepreciation and amortizationexpensePayments to Acquire Property,Plant, and EquipmentSegment ReportingInformation, Assets

3,441.5

2,110.3

4.5

4.2

2.8

1,698.2

1,344.8

1,324.9

115.9

[1],[5] 99.4

[1],[5] 84.9

[1],[5]

488.1

411.0

440.2

40.4

34.7

34.3

39.1

26.4

16.8

3,441.5

2,110.3

Corporate Expenses [Member]

Segment Reporting**Information [Line Items]**Segment operating income

Corporate [Member]

Segment Reporting**Information [Line Items]**Depreciation and amortizationexpensePayments to Acquire Property,Plant, and EquipmentSegment ReportingInformation, Assets

761.8 [6]

1,311.6 [6]

(123.5)

(113.1)

(106.6)

6.2

6.5

6.6

29.5

0

42.5

761.8

[6]

1,311.6 [6]

Discontinued Operations

[Member]

Segment Reporting**Information [Line Items]**Segment ReportingInformation, Assets

\$ 113.6

\$ 57.8

\$ 113.6

\$ 57.8

[1] Intercompany sales activity consists of each segment's total intercompany sales activity, including intercompany sales activity within a segment and between segments.

[2] Investment Cast Products: Includes intersegment sales activity of \$47.5 million, \$33.2 million and \$26.3 million for fiscal 2012, 2011 and 2010, respectively.

[3] Forged Products: Includes intersegment sales activity of \$84.2 million, \$65.2 million and \$64.1 million for fiscal 2012, 2011 and 2010, respectively.

[4] Forged Products assets include \$441.5 million and \$410.5 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.

[5] Fastener Products: Includes intersegment sales activity of \$4.5 million, \$4.2 million and \$2.8 million for fiscal 2012, 2011 and 2010, respectively.

[6] Corporate assets consist principally of cash and cash equivalents, property, plant & equipment and other assets.

**18. Pensions and Other
Postretirement Benefit Plans
- Disclosure Information
Related to Multi-Employer
Pension Plans (Details) (USD
\$)**

**In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01,
2012 Apr. 03,
2011 Mar. 28,
2010**

Multiemployer Plans [Line Items]

Multiemployer plan, period contributions

\$ 4.7 \$ 4.7 \$ 3.6

IAM National Pension Plan [Member]

Multiemployer Plans [Line Items]

Multiemployer plan certified zone status

Green Green

Multiemployer plans funding improvement plan and rehabilitation plan

Not
Applicable

Multiemployer plan, period contributions

1.0 1.0 0.8

Steelworkers Pension Trust [Member]

Multiemployer Plans [Line Items]

Multiemployer plan certified zone status

Green Green

Multiemployer plans funding improvement plan and rehabilitation plan

Not
Applicable

Multiemployer plan, period contributions

3.2 3.0 2.4

Multiemployer plan collective bargaining agreement expiration date

Aug. 03,
2012

Boilermaker-Blacksmith National Pension Trust [Member]

Multiemployer Plans [Line Items]

Multiemployer plan certified zone status

Yellow Yellow

Multiemployer plans funding improvement plan and rehabilitation plan

Implemented

Multiemployer plan, period contributions

\$ 0.5 \$ 0.7 \$ 0.4

Minimum contribution rate required to be paid in 2010

135.00%

Minimum contribution rate required to be paid in 2011

170.00%

Minimum contribution rate required to be paid in 2012

205.00%

Minimum contribution rate required to be paid in 2013

240.00%

Minimum contribution rate required to be paid , thereafter

275.00%

First Period [Member]

Multiemployer Plans [Line Items]

Multiemployer plan collective bargaining agreement expiration date

Jun. 30,
2012

First Period [Member] | Boilermaker-Blacksmith National Pension Trust
[Member]

Multiemployer Plans [Line Items]

Multiemployer plan collective bargaining agreement expiration date

Feb. 14,
2014

Second Period [Member]

Multiemployer Plans [Line Items]

[Multiemployer plan collective bargaining agreement expiration date](#) Aug. 16,
2012

Second Period [Member] | Boilermaker-Blacksmith National Pension
Trust [Member]

[Multiemployer Plans \[Line Items\]](#)

[Multiemployer plan collective bargaining agreement expiration date](#) Jul. 15, 2015

Document and Entity Information (USD \$)	12 Months Ended Apr. 01, 2012	May 17, 2012	Oct. 02, 2011
<u>Entity Information [Line Items]</u>			
<u>Document Type</u>	10-K		
<u>Amendment Flag</u>	false		
<u>Document Period End Date</u>	Apr. 01, 2012		
<u>Trading Symbol</u>	PCP		
<u>Document Fiscal Year Focus</u>	2012		
<u>Document Fiscal Period Focus</u>	FY		
<u>Current Fiscal Year End Date</u>	--04-01		
<u>Entity Registrant Name</u>	PRECISION CASTPARTS CORP		
<u>Entity Central Index Key</u>	0000079958		
<u>Entity Well-known Seasoned Issuer</u>	Yes		
<u>Entity Current Reporting Status</u>	Yes		
<u>Entity Voluntary Filers</u>	No		
<u>Entity Filer Category</u>	Large Accelerated Filer		
<u>Entity Common Stock, Share Outstanding</u>		145,312,030	
<u>Market Value of Common Equity</u>			\$ 22,408,661,685

11. Earnings per Share

12 Months Ended
Apr. 01, 2012

[Earnings Per Share](#)

[\[Abstract\]](#)

[Earnings per Share](#)

Earnings per share

Net income and weighted average number of shares outstanding used to compute earnings per share were as follows:

Fiscal	2012	2011	2010
Amounts attributable to PCC shareholders:			
Net income from continuing operations	\$ 1,230.5	\$ 1,009.4	\$ 925.1
Net (loss) income from discontinued operations	(6.4)	4.1	(3.3)
Net income attributable to PCC shareholders	<u>\$ 1,224.1</u>	<u>\$ 1,013.5</u>	<u>\$ 921.8</u>

Fiscal	2012	2011	2010
Weighted average shares outstanding-basic	144.4	142.7	140.7
Effect of dilutive stock-based compensation plans	1.2	1.2	1.4
Weighted average shares outstanding-diluted	<u>145.6</u>	<u>143.9</u>	<u>142.1</u>

Basic earnings per share are calculated based on the weighted average number of shares outstanding. Diluted earnings per share are computed based on that same number of shares plus additional dilutive shares representing stock distributable under stock option, phantom stock and employee stock purchase plans computed using the treasury stock method.

Options to purchase 1.2 million, 1.5 million and 1.5 million shares of common stock were outstanding during fiscal 2012, 2011 and 2010, respectively, and were not included in the computation of diluted earnings per share because to do so would have been antidilutive. These options could be dilutive in the future.

**16. Accumulated Other
Comprehensive Loss
(Details) (USD \$)
In Millions, unless otherwise
specified**

Apr. 01, 2012 Apr. 03, 2011

Accumulated other comprehensive loss (net of tax):

<u>Cumulative unrealized foreign currency translation gains (losses)</u>	\$ 19.6	\$ 32.7
<u>Pension and postretirement obligations</u>	(462.0)	(269.0)
<u>Unrealized gain on derivatives</u>	0.7	1.7
<u>Accumulated other comprehensive loss</u>	\$ (441.7)	\$ (234.6)

**18. Pensions and Other
Postretirement Benefit Plans,
Plan Asset Fair Value
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	\$ 1,719.3	\$ 1,680.2
---	------------	------------

Level 1 [Member]

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	733.7	643.4
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Level 2 [Member]

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	774.7	850.4
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Level 3 [Member]

Changes in the fair value of pension plan assets

<u>Beginning fair value of plan assets</u>	186.4	122.6
--	-------	-------

<u>Realized / unrealized gain / (loss)</u>	3.8	16.9
--	-----	------

<u>Net purchases / (redemptions)</u>	14.9	12.1
--------------------------------------	------	------

<u>Transfers into / (out of) Level 3</u>	5.8	34.8
--	-----	------

<u>Ending fair value of plan assets</u>	210.9	186.4
---	-------	-------

Public Equity Securities Hedged [Member]

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	209.1	212.2
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Public Equity Securities Hedged [Member] | Level 1 [Member]

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	48.6	46.4
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Public Equity Securities Hedged [Member] | Level 2 [Member]

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	159.7	165.8
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Public Equity Securities Hedged [Member] | Level 3 [Member]

Changes in the fair value of pension plan assets

<u>Beginning fair value of plan assets</u>	0	
--	---	--

<u>Realized / unrealized gain / (loss)</u>	(0.4)	
--	-------	--

<u>Net purchases / (redemptions)</u>	(0.8)	
--------------------------------------	-------	--

<u>Transfers into / (out of) Level 3</u>	2.0	
--	-----	--

<u>Ending fair value of plan assets</u>	0.8	
---	-----	--

Equity Securities and Funds [Member]

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	708.1	675.6
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Equity Securities and Funds [Member] | Level 1 [Member]

Changes in the fair value of pension plan assets

<u>Ending fair value of plan assets</u>	336.7	312.9
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Equity Securities and Funds [Member] | Level 2 [Member]

<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	204.8	229.0
Equity Securities and Funds [Member] Level 3 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	166.6	133.7
Public Equity Securities Long [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	333.2	329.7
Public Equity Securities Long [Member] Level 1 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	288.1	266.5
Public Equity Securities Long [Member] Level 2 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	45.1	63.2
Public Equity Securities Long [Member] Level 3 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	0	0
Private Equity And Venture Capital [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	165.8	133.7
Private Equity And Venture Capital [Member] Level 1 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	0	0
Private Equity And Venture Capital [Member] Level 2 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	0	0
Private Equity And Venture Capital [Member] Level 3 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Beginning fair value of plan assets</u>	133.7	110.4
<u>Realized / unrealized gain / (loss)</u>	5.5	13.2
<u>Net purchases / (redemptions)</u>	26.6	10.1
<u>Transfers into / (out of) Level 3</u>	0	0
<u>Ending fair value of plan assets</u>	165.8	133.7
Absolute Return [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	411.5	414.0
Absolute Return [Member] Level 1 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	0	0
Absolute Return [Member] Level 2 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	398.9	401.3
Absolute Return [Member] Level 3 [Member]		
<u>Changes in the fair value of pension plan assets</u>		

Ending fair value of plan assets	12.6	12.7
Market Sectors [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	206.0	186.2
Market Sectors [Member] Level 1 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	0	0
Market Sectors [Member] Level 2 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	206.0	186.2
Market Sectors [Member] Level 3 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	0	0
Arbitrage [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	205.5	227.8
Arbitrage [Member] Level 1 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	0	0
Arbitrage [Member] Level 2 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	192.9	215.1
Arbitrage [Member] Level 3 [Member]		
Changes in the fair value of pension plan assets		
Beginning fair value of plan assets	12.7	12.2
Realized / unrealized gain / (loss)	(3.9)	(1.3)
Net purchases / (redemptions)	0	1.8
Transfers into / (out of) Level 3	3.8	0
Ending fair value of plan assets	12.6	12.7
Royalty Investments [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	126.9	141.0
Royalty Investments [Member] Level 1 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	0	0
Royalty Investments [Member] Level 2 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	126.9	141.0
Royalty Investments [Member] Level 3 [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	0	0
Fixed Income Securities and Funds [Member]		
Changes in the fair value of pension plan assets		
Ending fair value of plan assets	386.7	406.0

Fixed Income Securities and Funds [Member] Level 1 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	311.7	287.8
Fixed Income Securities and Funds [Member] Level 2 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	43.3	78.2
Fixed Income Securities and Funds [Member] Level 3 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	31.7	40.0
Investment Grade [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	313.9	321.4
Investment Grade [Member] Level 1 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	311.7	287.8
Investment Grade [Member] Level 2 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	2.2	33.6
Investment Grade [Member] Level 3 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	0	0
Non Investment Grade [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	72.8	84.6
Non Investment Grade [Member] Level 1 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	0	0
Non Investment Grade [Member] Level 2 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	41.1	44.6
Non Investment Grade [Member] Level 3 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Beginning fair value of plan assets</u>	40.0	0
<u>Realized / unrealized gain / (loss)</u>	2.6	5.0
<u>Net purchases / (redemptions)</u>	(10.9)	0.2
<u>Transfers into / (out of) Level 3</u>	0	34.8
<u>Ending fair value of plan assets</u>	31.7	40.0
Cash and Other Investments [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	86.1	43.6
Cash and Other Investments [Member] Level 1 [Member]		
<u>Changes in the fair value of pension plan assets</u>		
<u>Ending fair value of plan assets</u>	85.3	42.7
Cash and Other Investments [Member] Level 2 [Member]		

Changes in the fair value of pension plan assets

Ending fair value of plan assets

0.8

0.9

Cash and Other Investments [Member] | Level 3 [Member]

Changes in the fair value of pension plan assets

Ending fair value of plan assets

\$ 0

\$ 0

Consolidated Balance Sheets
(Parentheticals) (USD \$)
In Millions, except Share
data, unless otherwise
specified

Apr. 01, 2012 Apr. 03, 2011

<u>Allowance for doubtful accounts receivables</u>	\$ 3.9	\$ 2.5
<u>Shareholders' equity:</u>		
<u>Preferred stock, no par value</u>	\$ 0	\$ 0
<u>Preferred stock, shares authorized</u>	1,000,000	1,000,000
<u>Preferred stock, shares issued</u>	0	0
<u>Common stock, stated value per share</u>	\$ 1	\$ 1
<u>Common stock, shares authorized</u>	450,000,000	450,000,000
<u>Common stock, shares issued</u>	145,257,531	143,711,541
<u>Common stock, shares outstanding</u>	145,257,531	143,711,541

5. Concentration of Credit Risk

**12 Months Ended
Apr. 01, 2012**

[Risks and Uncertainties](#)

[\[Abstract\]](#)

[Concentration of Credit Risk](#)

Concentration of credit risk

Approximately 62 percent, 57 percent and 54 percent of business activity was with companies in the aerospace industry in fiscal 2012, 2011 and 2010, respectively. Approximately 15.4 percent, 12.5 percent and 14.0 percent of total sales were directly to General Electric Company in fiscal 2012, 2011 and 2010, respectively. Accordingly, we are exposed to a concentration of credit risk for this portion of receivables. We have long-standing relationships with our aerospace customers, and management considers the credit risk to be low.

4. Discontinued Operations

**12 Months Ended
Apr. 01, 2012**

Discontinued Operations and Disposal Groups

[Abstract]

Discontinued Operations

Discontinued operations

Fiscal 2012

During the fourth quarter of fiscal 2012, we decided to divest a small non-core business in the Fastener Products segment and reclassified it to discontinued operations.

Fiscal 2011

During the second quarter of fiscal 2011, we sold an automotive fastener business. The transaction resulted in a gain of approximately \$6.4 million (net of tax).

During the first quarter of fiscal 2011, we decided to divest a small non-core business in the Fastener Products segment and reclassified it to discontinued operations. We have entered into an agreement to sell this business and expect to complete the transaction in the first quarter of fiscal 2013.

Fiscal 2010

In the fourth quarter of fiscal 2010, we decided to dispose of a small non-core business in the Fasteners Products' segment and reclassified it to discontinued operations. The sale of the business was completed in the second quarter of fiscal 2011.

In the third quarter of fiscal 2010, we decided to divest a small non-core business in the Investment Cast Products segment and reclassified it to discontinued operations. The sale of the business was completed in the fourth quarter of fiscal 2010. The transaction resulted in a gain of approximately \$11.4 million (net of tax) in fiscal 2010.

In the second quarter of fiscal 2010, we recognized an impairment loss of approximately \$8.7 million (net of tax) related to two automotive fastener businesses held for sale due to continued erosion in the automotive market. The sale of these businesses was completed in the second quarter of fiscal 2011.

The components of discontinued operations for the periods presented are as follows:

Fiscal	2012	2011	2010
Net sales	\$ 63.7	\$ 47.1	\$ 80.4
Cost of goods sold	59.0	44.5	71.1
Selling and administrative expenses	7.6	5.0	10.0
Restructuring and asset impairment	—	—	11.6
Interest income, net	—	(0.1)	(0.1)
Net loss from operations before income taxes	(2.9)	(2.3)	(12.2)
Income tax (expense) benefit	(2.5)	1.0	1.5
Net loss from operations	(5.4)	(1.3)	(10.7)
(Loss) gain on disposal and other expenses, net of tax expense of \$0.9, \$2.6 and \$1.1	(1.0)	5.4	7.4
Net (loss) income from discontinued operations	\$ (6.4)	\$ 4.1	\$ (3.3)

Included in the Consolidated Balance Sheets are the following major classes of assets and liabilities associated with the discontinued operations:

	April 1, 2012	April 3, 2011
Assets of discontinued operations:		
Current assets	\$ 43.6	\$ 12.5
Net property, plant and equipment	55.7	31.1
Other assets	14.3	14.2
	<u>\$ 113.6</u>	<u>\$ 57.8</u>
Liabilities of discontinued operations:		
Current liabilities	\$ 18.6	\$ 6.2
Other long-term liabilities	17.8	—
	<u>\$ 36.4</u>	<u>\$ 6.2</u>

**16. Accumulated Other
Comprehensive Loss**

**12 Months Ended
Apr. 01, 2012**

[Accumulated Other
Comprehensive Income Loss](#)

[Note \[Abstract\]](#)

[Accumulated Other
Comprehensive Loss](#)

Accumulated other comprehensive loss

Comprehensive income is the sum of net income and all other non-owner changes in equity. The components of the non-owner changes in equity, or accumulated other comprehensive loss, were as follows (net of tax):

Fiscal	2012	2011
Cumulative unrealized foreign currency translation gains	\$ 19.6	\$ 32.7
Pension and postretirement obligations	(462.0)	(269.0)
Unrecognized gain on derivatives	0.7	1.7
Accumulated other comprehensive loss	<u>\$ (441.7)</u>	<u>\$ (234.6)</u>

12. Fair Value Measurements

12 Months Ended

Apr. 01, 2012

[Financial Instruments,](#)
[Financial Assets, Balance](#)
[Sheet Groupings \[Abstract\]](#)
[Fair Value Measurements](#)

Fair value measurements

Fair value guidance defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. Fair value guidance defines fair value as the exchange price that would be received to sell 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 on the measurement date. Fair value guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

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

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents the assets and liabilities measured at fair value on a recurring basis as of April 1, 2012:

	Fair Value Measurements Using						Assets/ Liabilities at Fair Value
	Level 1		Level 2		Level 3		
Assets:							
Trading securities	\$	74.5	\$	—	\$	—	\$ 74.5
Derivative instruments	\$	—	\$	4.1	\$	—	\$ 4.1
Liabilities:							
Derivative instruments	\$	—	\$	1.9	\$	—	\$ 1.9

The following table presents the assets and liabilities measured at fair value on a recurring basis as of April 3, 2011:

		Fair Value Measurements Using				Assets/ Liabilities at Fair Value		
		Level 1	Level 2	Level 3				
Assets:								
Trading securities	\$	400.2	\$	99.0	\$	—	\$	499.2
Derivative instruments	\$	—	\$	7.5	\$	—	\$	7.5
Liabilities:								
Derivative instruments	\$	—	\$	3.3	\$	—	\$	3.3

Trading securities consist of money market funds, commercial paper, and other highly liquid short-term instruments with maturities of three months or less at the time of purchase. These investments are readily convertible to cash with market value approximating cost. There were no transfers between Level 1 and Level 2 fair value measurements during fiscal 2012 or fiscal 2011.

Derivative instruments consist of fair value hedges, net investment hedges, and cash flow hedges. Foreign exchange, commodity swap and interest rate swap contracts' values are determined using pricing models with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. There were no changes in our valuation techniques used to measure assets and liabilities at fair value on a recurring basis.

We estimate that the fair value of our long-term fixed rate debt instruments was \$221.0 million compared to a book value of \$207.4 million at April 1, 2012. At April 3, 2011, the estimated fair value of our long-term fixed rate debt instruments was \$257.2 million compared to a book value of \$235.5 million. The fair value of long-term fixed rate debt was estimated using bond yields at quarter-end for comparable market instruments. Long-term fixed rate debt would be classified as Level 2 within the fair value hierarchy if it were measured at fair value. The estimated fair value of our miscellaneous long-term debt approximates book value.

**18. Pensions and Other
Postretirement Benefit Plans,
Amounts in Other
Comprehensive Income
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

Pension Plans, Defined Benefit [Member]

Components of amounts recognized in other comprehensive income

<u>Net actuarial loss (gain)</u>	\$ 283.8	\$ 46.0	\$ 114.6
<u>Amortization of net actuarial loss</u>	(2.6)	(2.5)	(0.4)
<u>Prior service cost</u>	4.5	0	0.7
<u>Amortization of prior service cost</u>	(3.0)	(3.1)	(3.6)
<u>Amortization of transition obligation</u>	(0.2)	(0.2)	(0.2)
<u>Exchange rate (loss) gain</u>	(1.2)	6.0	0.3
<u>Total recognized in OCI</u>	281.3	46.2	111.4

Other Postretirement Benefit Plans, Defined Benefit [Member]

Components of amounts recognized in other comprehensive income

<u>Net actuarial loss (gain)</u>	8.0	(11.5)	8.4
<u>Prior service cost</u>	1.9	0.3	0
<u>Amortization of prior service cost</u>	0.3	5.1	0.6
<u>Total recognized in OCI</u>	\$ 10.2	\$ (6.1)	\$ 9.0

8. Accrued Liabilities

**12 Months Ended
Apr. 01, 2012**

[Accrued Liabilities, Current \[Abstract\]](#)

[Accrued Liabilities](#)

Accrued liabilities

Accrued liabilities consisted of the following:

	April 1, 2012	April 3, 2011
Salaries and wages payable	\$ 154.3	\$ 145.1
Customer deposits	41.7	47.6
Other accrued liabilities	139.2	111.3
Total	<u>\$ 335.2</u>	<u>\$ 304.0</u>

**7. Goodwill and Acquired
Intangibles, Acquired
Intangible Assets (Details)
(USD \$)**

**In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Acquired Finite-Lived Intangible Assets [Line Item]

Amortization of acquired intangible assets \$ 13.8 \$ 13.9 \$ 11.4

Amortizable intangible assets:

Gross Carrying Amount 137.6 98.6

Accumulated Amortization (47.7) (40.9)

Net Carrying Amount 89.9 57.7

Acquired intangibles, net:

Acquired intangible assets, net 1,228.1 455.1

Unamortizable Tradenames [Member]

Unamortizable intangible assets:

Net Carrying Amount 261.4 192.6

Unamortizable Long-term Customer Relationships [Member]

Unamortizable intangible assets:

Net Carrying Amount 876.8 204.8

Patents [Member]

Amortizable intangible assets:

Gross Carrying Amount 15.0 14.8

Accumulated Amortization (9.0) (7.5)

Net Carrying Amount 6.0 7.3

Proprietary Technology [Member]

Amortizable intangible assets:

Gross Carrying Amount 2.3 2.3

Accumulated Amortization (1.3) (1.1)

Net Carrying Amount 1.0 1.2

Tradenames [Member]

Amortizable intangible assets:

Gross Carrying Amount 0.4 0.4

Accumulated Amortization (0.4) (0.4)

Net Carrying Amount 0 0

Long-term Customer Relationships [Member]

Amortizable intangible assets:

Gross Carrying Amount 56.7 33.6

Accumulated Amortization (20.5) (14.4)

Net Carrying Amount 36.2 19.2

Backlog [Member]

Amortizable intangible assets:

Gross Carrying Amount 34.3 18.6

Accumulated Amortization (15.5) (17.0)

<u>Net Carrying Amount</u>	18.8	1.6
Revenue Sharing Agreements [Member]		
<u>Amortizable intangible assets:</u>		
<u>Gross Carrying Amount</u>	28.9	28.9
<u>Accumulated Amortization</u>	(1.0)	(0.5)
<u>Net Carrying Amount</u>	\$ 27.9	\$ 28.4

6. Inventories

**12 Months Ended
Apr. 01, 2012**

[Inventory, Net \[Abstract\]](#)
[Inventories](#)

Inventories

Inventories consisted of the following:

	April 1, 2012	April 3, 2011
Finished goods	\$ 340.6	\$ 333.7
Work-in-process	742.1	538.8
Raw materials and supplies	544.5	437.2
	1,627.2	1,309.7
Excess of LIFO cost over current cost	190.4	149.7
Total	\$ 1,817.6	\$ 1,459.4

Approximately 93 percent of total inventories were valued on a LIFO basis at April 1, 2012 compared to 91 percent at April 3, 2011. During fiscal 2012 and 2011, certain LIFO inventory quantities were reduced. The effect on cost of goods sold of the liquidation of LIFO inventory quantities carried at costs paid in prior years was not material in either year.

7. Goodwill and Acquired Intangibles

12 Months Ended
Apr. 01, 2012

Goodwill and Intangible Assets Disclosure [Abstract]

Goodwill and Acquired Intangibles

Goodwill and acquired intangibles

We perform our annual goodwill and indefinite-lived intangible assets impairment test during the second quarter of each fiscal year. For fiscal 2012, 2011 and 2010, it was determined that the fair value of the related operations was greater than book value and that there was no impairment of goodwill. There were no changes to our reporting units or triggering events during the current fiscal year requiring a goodwill or indefinite-lived intangible assets impairment test in accordance with goodwill and other intangible assets accounting guidance.

The changes in the carrying amount of goodwill by reportable segment for fiscal 2012 and 2011 were as follows:

	March 28, 2010	Acquired	Currency translation and other	April 3, 2011	Acquired	Currency translation and other	April 1, 2012
Investment Cast Products	\$ 336.6	\$ 20.3	\$ 1.6	\$ 358.5	\$ —	\$ (20.5)	\$ 338.0
Forged Products	1,249.8	—	22.2	1,272.0	112.5	23.3	1,407.8
Fastener Products	1,249.5	8.4	0.8	1,258.7	510.3	(0.3)	1,768.7
Total	<u>\$ 2,835.9</u>	<u>\$ 28.7</u>	<u>\$ 24.6</u>	<u>\$ 2,889.2</u>	<u>\$ 622.8</u>	<u>\$ 2.5</u>	<u>\$3,514.5</u>

The gross carrying amount and accumulated amortization of our acquired intangible assets were as follows:

	April 1, 2012			April 3, 2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:						
Patents	\$ 15.0	\$ (9.0)	\$ 6.0	\$ 14.8	\$ (7.5)	\$ 7.3
Proprietary technology	2.3	(1.3)	1.0	2.3	(1.1)	1.2
Tradenames	0.4	(0.4)	—	0.4	(0.4)	—
Long-term customer relationships	56.7	(20.5)	36.2	33.6	(14.4)	19.2
Backlog	34.3	(15.5)	18.8	18.6	(17.0)	1.6
Revenue sharing agreements	28.9	(1.0)	27.9	28.9	(0.5)	28.4
	<u>\$ 137.6</u>	<u>\$ (47.7)</u>	<u>89.9</u>	<u>\$ 98.6</u>	<u>\$ (40.9)</u>	<u>57.7</u>
Unamortizable intangible assets:						
Tradenames			261.4			192.6

Long-term customer relationships	<u>876.8</u>	<u>204.8</u>
Acquired intangibles, net	<u>\$1,228.1</u>	<u>\$ 455.1</u>

Amortization expense for finite-lived acquired intangible assets was \$13.8 million, \$13.9 million and \$11.4 million for fiscal 2012, 2011 and 2010, respectively. Projected amortization expense for finite-lived intangible assets for the succeeding five fiscal years is as follows:

Fiscal	Estimated Amortization Expense
2013	\$ 15.1
2014	15.0
2015	12.8
2016	11.6
2017	5.9

The amortization will change in future periods if other intangible assets are acquired, existing intangibles are disposed or impairments are recognized.

9. Financing Arrangements

12 Months Ended
Apr. 01, 2012

[Debt Disclosure \[Abstract\]](#)

[Financing Arrangements](#)

Financing arrangements

Long-term debt is summarized as follows:

	April 1, 2012	April 3, 2011
5.60% Public notes due fiscal 2014	\$ 200.0	\$ 200.0
Private notes, retired in November 2011 in advance of August 2014 stated maturity	—	28.5
Other	8.2	8.1
	208.2	236.6
Less: Long-term debt currently due	0.5	14.7
Total	\$ 207.7	\$ 221.9

Long-term debt maturing in each of the next five fiscal years is as follows:

Fiscal	Debt
2013	\$ 0.5
2014	202.0
2015	0.2
2016	5.5
2017	—
Total	\$ 208.2

Historically, we have issued commercial paper as a method of raising short-term liquidity. There were no commercial paper borrowings outstanding as of April 1, 2012 or April 3, 2011. During fiscal 2012, the average amount of commercial paper borrowings outstanding was \$57.6 million and the weighted average interest rate was 0.3%. During fiscal 2011, the average amount of commercial paper borrowings outstanding was \$21.5 million and the weighted average interest rate was 0.3%. During fiscal 2012 and 2011, the largest daily balance of outstanding commercial paper borrowings was \$390.0 million and \$210.0 million, respectively.

On November 30, 2011, we entered into a credit agreement (the “New Credit Agreement”) with Bank of America, N.A. as Administrative Agent, Swing Line Lender and L/C Issuer, Wells Fargo Bank, National Association and Citibank, N.A., as Syndication Agents, and other lenders from time to time party thereto (collectively the “Lenders”). On the same day, we also terminated our prior credit agreement with Bank of America, N.A. and the other lenders under such agreement. The New Credit Agreement consists of a five-year, \$1.0 billion revolving credit facility (with a \$500 million increase option, subject to approval of the Lenders) maturing November 30, 2016, unless extended pursuant to two 364-day extension options (subject to approval of the Lenders). The New Credit Agreement is unsecured and contains customary representations and warranties, events of default, and financial and other covenants. Our unused borrowing capacity as of April 1, 2012 was \$1.0 billion under the New Credit Agreement. Our financial covenant requirement and actual ratio as of April 1, 2012 was as follows:

Covenant Requirement	Actual
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Consolidated leverage ratio ¹	65.0% (maximum)	2.4%
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(1) *Terms are defined in the New Credit Agreement.*

As of April 1, 2012, we were in compliance with the financial covenant in the New Credit Agreement.

**9. Financing Arrangements,
Credit Agreement (Details)
(USD \$)**

12 Months Ended
Apr. 01, 2012 Apr. 03, 2011

Line of Credit Facility [Line Items]

<u>Credit agreement maximum borrowing capacity</u>	\$ 1,000,000,000	
<u>Revolving credit facility increase option Subject to lender approval</u>	500,000,000	
<u>Line of credit facility, initiation date</u>	November 30, 2011	
<u>Line of credit facility, expiration date</u>	11/30/2016	
<u>Number of extension options, credit facility</u>	two	
<u>Length of each credit facility extension option</u>	364-day	
<u>Credit agreement remaining borrowing capacity</u>	1,000,000,000	
<u>Consolidated maximum leverage ratio</u>	.65	[1]
<u>Consolidated actual leverage ratio</u>	.024	

Commercial Paper [Member]

Line of Credit Facility [Line Items]

<u>Short-term debt, average outstanding amount</u>	57,600,000	21,500,000
<u>Largest daily balance of outstanding commercial paper borrowings</u>	390,000,000	210,000,000
<u>Credit agreement outstanding amount</u>	\$ 0	\$ 0
<u>Weighted-average interest rate for commercial paper borrowings</u>	0.30%	0.30%

[1] Terms are defined in the New Credit Agreement.

**18. Pensions and Other
Postretirement Benefit Plans,
Weighted-average
Assumptions (Details) (USD
\$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

Pension Plans, Defined Benefit [Member]

[**Defined Benefit Plan Disclosure \[Line Items\]**](#)

[Defined Benefit Plan, Benefit Obligation](#)

\$ 1,919.2 1,642.8 1,490.3

United States Pension Plans of US Entity, Defined Benefit [Member]

[**Defined Benefit Plan Disclosure \[Line Items\]**](#)

[Defined Benefit Plan, Benefit Obligation](#)

1,287.6

[**Weighted-average assumptions used in determining the pension and
postretirement benefit obligations**](#)

[Discount rate](#)

4.85% 5.75%

[Rate of compensation increase](#)

3.00% 3.00%

[**Weighted-average assumptions used in determining the net periodic pension
and postretirement benefit cost**](#)

[Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost,
Discount Rate](#)

5.75% 6.25% 7.25%

[Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost,
Expected Long-term Return on Assets](#)

8.00% 8.00% 8.00%

[Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost,
Rate of Compensation Increase](#)

3.00% 3.25% 3.50%

Foreign Pension Plans, Defined Benefit [Member]

[**Defined Benefit Plan Disclosure \[Line Items\]**](#)

[Defined Benefit Plan, Benefit Obligation](#)

631.6

[**Weighted-average assumptions used in determining the pension and
postretirement benefit obligations**](#)

[Discount rate](#)

5.27% 5.88%

[Rate of compensation increase](#)

2.97% 3.22%

[**Weighted-average assumptions used in determining the net periodic pension
and postretirement benefit cost**](#)

[Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost,
Discount Rate](#)

5.88% 5.83% 6.68%

[Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost,
Expected Long-term Return on Assets](#)

7.50% 7.50% 7.50%

[Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost,
Rate of Compensation Increase](#)

3.22% 3.43% 3.43%

Other Postretirement Benefit Plans, Defined Benefit [Member]

[**Defined Benefit Plan Disclosure \[Line Items\]**](#)

[Defined Benefit Plan, Benefit Obligation](#)

90.7 83.5 130.3

[Defined Benefit Plan, Net Periodic Benefit Cost](#)

5.5 6.4 9.8

United States Postretirement Benefit Plans of US Entity, Defined Benefit
[Member]

**Weighted-average assumptions used in determining the pension and
postretirement benefit obligations**

<u>Discount rate</u>	4.85%	5.75%
<u>Rate of compensation increase</u>	3.00%	3.00%

**Weighted-average assumptions used in determining the net periodic pension
and postretirement benefit cost**

<u>Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost, Discount Rate</u>	5.75%	6.25%	7.25%
<u>Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost, Expected Long-term Return on Assets</u>	0.00%	0.00%	0.00%
<u>Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost, Rate of Compensation Increase</u>	3.00%	3.25%	3.50%

United States Defined Benefit Plans [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Defined Benefit Plan, Net Periodic Benefit Cost</u>	25.7
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Foreign Defined Benefit Plans [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Defined Benefit Plan, Net Periodic Benefit Cost</u>	\$ (3.5)
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**10. Income Taxes, Provision
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Current taxes:

<u>Federal</u>	\$ 432.6	\$ 341.0	\$ 264.3
<u>Foreign</u>	43.3	44.4	29.2
<u>State</u>	48.7	37.8	35.3
<u>Current income taxes</u>	524.6	423.2	328.8
<u>Deferred income taxes</u>	69.8	76.5	156.9
<u>Income tax expense (benefit)</u>	594.4	499.7	485.7
<u>Undistributed earnings of foreign subsidiaries</u>	\$ 866		

**9. Financing Arrangements,
Long-term Debt (Details)
(USD \$)
In Millions, unless otherwise
specified**

Apr. 01, 2012 Apr. 03, 2011

Long-term Debt, by Current and Noncurrent [Abstract]

<u>Long-term debt, current and non-current</u>	\$ 208.2	\$ 236.6
<u>Less: Long-term debt currently due</u>	0.5	14.7
<u>Long-term debt, non-current</u>	207.7	221.9

Maturities of Long-term Debt [Abstract]

<u>2013</u>	0.5	
<u>2014</u>	202.0	
<u>2015</u>	0.2	
<u>2016</u>	5.5	
<u>2017</u>	0	

Senior Notes [Member]

Long-term Debt, by Current and Noncurrent [Abstract]

<u>Long-term debt, current and non-current</u>	200.0	200.0
<u>Public notes due fiscal 2014, interest rate</u>	5.60%	5.60%

Private Notes [Member]

Long-term Debt, by Current and Noncurrent [Abstract]

<u>Long-term debt, current and non-current</u>	0	28.5
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Other Debt [Member]

Long-term Debt, by Current and Noncurrent [Abstract]

<u>Long-term debt, current and non-current</u>	\$ 8.2	\$ 8.1
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**18. Pensions and Other
Postretirement Benefit Plans,
Defined Contribution Plans
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Apr. 01, 2012 Apr. 03, 2011 Mar. 28, 2010

Defined Contribution Plan [Line Items]

<u>Expense related to employer contributions to 401(k) savings plans</u>	\$ 18.9	\$ 14.4	\$ 14.4
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8. Accrued Liabilities
(Tables)

12 Months Ended
Apr. 01, 2012

[Accrued Liabilities, Current \[Abstract\]](#)
[Schedule of accrued liabilities](#)

Accrued liabilities consisted of the following:

	April 1, 2012	April 3, 2011
Salaries and wages payable	\$ 154.3	\$ 145.1
Customer deposits	41.7	47.6
Other accrued liabilities	139.2	111.3
Total	<u>\$ 335.2</u>	<u>\$ 304.0</u>

**1. Summary of Significant
Accounting Policies, Stock-
based Compensation
(Details)**

12 Months Ended

Apr. 01, 2012

Share-based Compensation Arrangement by Share-based Payment Award

Stock option awards vesting period (in years)

4

14. Shareholders' Equity

**12 Months Ended
Apr. 01, 2012**

[Stockholders' Equity Note](#)

[\[Abstract\]](#)

[Shareholders' Equity](#)

Shareholders' equity

Authorized shares of common stock, with no par value and \$1 stated value, consisted of 450.0 million shares at April 1, 2012 and April 3, 2011. Authorized and unissued no par serial preferred stock consisted of 1.0 million shares at April 1, 2012 and April 3, 2011.

Shareholder rights plan

The rights agreement, which was adopted in 1998, was renewed on December 16, 2008. The agreement is intended to protect the Company and its shareholders from potentially coercive takeover practices or takeover bids that are inconsistent with the interests of the Company and its shareholders. The agreement is not intended to deter offers that are fair and otherwise in the best interest of the Company's shareholders. Under the renewed rights agreement, each holder of the common stock of the Company at the close of business on December 16, 2008, received a dividend of one right for each share of common stock held entitling the holder to purchase from the Company one one-thousandth of a share of Series A No Par Serial Preferred Stock. Initially, the rights will be represented by the common stock certificates of the Company and will not be exercisable or traded separately from the common stock of the Company. In the absence of further board action, the rights will generally become exercisable if a person or group (i) acquires 15 percent or more of the outstanding common stock of the Company, or (ii) announces or commences a tender or exchange offer that would result in the person or group acquiring 15 percent or more of the outstanding common stock of the Company. Rights held by those that exceed the 15 percent threshold will be void.

In the event that any person or group acquires 15 percent or more of the outstanding common stock of the Company, and the rights are exercisable, each holder of a right (other than holders of rights that have become void) will have the right to receive upon exercise of the right, in lieu of shares of preferred stock, a number of shares of common stock of the Company having a market value of two times the exercise price of the right. If, after a person or group acquires 15 percent or more of the outstanding common stock of the Company, and while the rights are exercisable, (i) the Company is acquired in a merger or other business combination transaction in which the Company is not the surviving corporation or in which shares of the common stock are exchanged for stock or other securities or property, or (ii) 50 percent or more of the Company's assets or earning power is sold or transferred, each holder of a right (other than holders of rights that have become void) shall thereafter have the right to receive, upon exercise of the right, common stock of the acquiring company having a value equal to two times the purchase price of the right.

The rights agreement also includes an exchange option. In general, after a person or group acquires 15 percent or more of the outstanding common stock of the Company and while the rights are exercisable, the board of directors may, at its option, effect an exchange of part or all of the rights (other than rights that have become void) for shares of the common stock or preferred stock of the Company. Under this option, the Company would issue one share of common stock of the Company for each right or one one-thousandth of a share of preferred stock for each right, subject to adjustment in certain circumstances.

The Board of Directors may, at its option, redeem all outstanding rights for \$0.001 per right at any time prior to the later of the Stock Acquisition Date and the Distribution Date (as these terms are defined in the Rights Agreement). The rights will expire on December 15, 2018, unless earlier redeemed, exchanged, or amended by the board of directors. The rights do not have voting or dividend rights and, until they become exercisable, have no dilutive effect on our earnings.

19. Segment Information

**12 Months Ended
Apr. 01, 2012**

[Segment Reporting](#)

[\[Abstract\]](#)

[Segment Information](#)

Segment information

Information regarding segments is presented in accordance with segment disclosure guidance. Based on the criteria outlined in this guidance, our operations are classified into three reportable operating segments: Investment Cast Products, Forged Products and Fastener Products.

Investment Cast Products

The Investment Cast Products segment manufactures investment castings, and provides related investment casting materials and alloys, for aircraft engines, industrial gas turbine engines, airframes, armaments, medical prostheses and other industrial applications.

Forged Products

The Forged Products segment manufactures forged components from sophisticated titanium and nickel-based alloys principally for the aerospace and power markets, and manufactures metal alloys used to produce forged components for aerospace and non-aerospace markets which include products for oil and gas, chemical processing, and pollution control applications. The segment also provides nickel superalloy and titanium revert management solutions, re-melting various material byproducts and reusing them in casting, forging, and fastener manufacturing processes. The Forged Products segment also produces seamless pipe for the power and the oil and gas industries.

Fastener Products

The Fastener Products segment primarily produces highly engineered fasteners, fastener systems, aerostructures, and precision components for critical applications in the aerospace, automotive and industrial machinery markets. The majority of our Fastener Products sales come from the same aerospace customer base served by our Investment Cast Products and Forged Products segments. The balance of the segment's sales is derived from automotive and general industrial markets, including farm machinery, construction equipment, machine tools, medical equipment, appliances and recreation.

Our chief operating decision maker evaluates performance and allocates resources based on revenues, operating income and net assets employed. The accounting policies of the reportable segments are the same as those described in Note 1—Summary of Significant Accounting Policies. Segment results are as follows:

Fiscal	2012	2011	2010
Net sales:			
Investment Cast Products	\$ 2,326.9	\$ 2,095.6	\$ 1,851.3
Forged Products	3,189.5	2,779.7	2,283.0
Fastener Products	1,698.2	1,344.8	1,324.9
Consolidated net sales	<u>\$ 7,214.6</u>	<u>\$ 6,220.1</u>	<u>\$ 5,459.2</u>

Intercompany sales activity ⁽¹⁾:

Investment Cast Products ⁽²⁾	\$ 295.5	\$ 238.8	\$ 199.1
Forged Products ⁽³⁾	927.4	740.2	703.4

Fastener Products ⁽⁴⁾	115.9	99.4	84.9
Total intercompany sales activity	\$ 1,338.8	\$ 1,078.4	\$ 987.4
Segment operating income (loss):			
Investment Cast Products	\$ 766.4	\$ 665.5	\$ 560.0
Forged Products	686.2	539.4	529.7
Fastener Products	488.1	411.0	440.2
Corporate expense	(123.5)	(113.1)	(106.6)
Total segment operating income	1,817.2	1,502.8	1,423.3
Interest expense, net	5.2	9.0	13.1
Consolidated income before income taxes and equity in earnings of unconsolidated affiliates	\$ 1,812.0	\$ 1,493.8	\$ 1,410.2
Depreciation and amortization expense:			
Investment Cast Products	\$ 35.1	\$ 34.9	\$ 35.7
Forged Products	88.1	87.7	75.2
Fastener Products	40.4	34.7	34.3
Corporate	6.2	6.5	6.6
Consolidated depreciation and amortization expense	\$ 169.8	\$ 163.8	\$ 151.8
Capital expenditures:			
Investment Cast Products	\$ 48.1	\$ 28.5	\$ 28.5
Forged Products	75.4	65.5	81.7
Fastener Products	39.1	26.4	16.8
Corporate	29.5	—	42.5
Consolidated capital expenditures	\$ 192.1	\$ 120.4	\$ 169.5
Total assets:			
Investment Cast Products	\$ 1,372.6	\$ 1,301.9	
Forged Products ⁽⁵⁾	4,869.3	4,174.3	
Fastener Products	3,441.5	2,110.3	
Corporate ⁽⁶⁾	761.8	1,311.6	
Discontinued operations	113.6	57.8	
Consolidated total assets	\$ 10,558.8	\$ 8,955.9	

(1) Intercompany sales activity consists of each segment's total intercompany sales activity, including intercompany sales activity within a segment and between segments.

(2) Investment Cast Products: Includes intersegment sales activity of \$47.5 million, \$33.2 million and \$26.3 million for fiscal 2012, 2011 and 2010, respectively.

(3) Forged Products: Includes intersegment sales activity of \$84.2 million, \$65.2 million and \$64.1 million for fiscal 2012, 2011 and 2010, respectively.

(4) Fastener Products: Includes intersegment sales activity of \$4.5 million, \$4.2 million and \$2.8 million for fiscal 2012, 2011 and 2010, respectively.

(5) Forged Products assets include \$441.5 million and \$410.5 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.

(6) Corporate assets consist principally of cash and cash equivalents, property, plant & equipment and other assets.

Net direct sales to General Electric were 15.4 percent, 12.5 percent and 14.0 percent of total sales in fiscal 2012, 2011 and 2010, respectively, as follows:

Fiscal	2012	2011	2010
Investment Cast Products	\$ 558.9	\$ 523.2	\$ 494.5
Forged Products	464.2	224.5	243.6
Fastener Products	85.1	27.5	26.7
	<u>\$ 1,108.2</u>	<u>\$ 775.2</u>	<u>\$ 764.8</u>

No other customer directly accounted for more than 10 percent of net sales.

Our business is conducted on a global basis with manufacturing, service and sales undertaken in various locations throughout the world. Net sales are attributed to geographic areas based on the location of the assets producing the revenues. Long-lived assets consist of net property, plant and equipment and certain other tangible long-term assets of continuing operations. Geographic information regarding our net sales and long-lived assets is as follows:

Fiscal	2012	2011	2010
United States	\$ 5,952.7	\$ 5,161.8	\$ 4,476.2
United Kingdom	796.2	672.1	673.4
Other countries	465.7	386.2	309.6
Net sales	<u>\$ 7,214.6</u>	<u>\$ 6,220.1</u>	<u>\$ 5,459.2</u>
United States	\$ 1,211.6	\$ 1,056.9	
United Kingdom	165.9	172.8	
Other countries	104.2	102.4	
Assets of discontinued operations	57.6	31.1	
Total tangible long-lived assets ⁽¹⁾	<u>\$ 1,539.3</u>	<u>\$ 1,363.2</u>	

(1) Long-lived assets exclude \$442.8 million and \$411.9 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.

19. Segment Information, Geographic Information (Details) (USD \$) In Millions, unless otherwise specified	3 Months Ended						12 Months Ended				
	Apr. 01, 2012	Jan. 01, 2012	Oct. 02, 2011	Jul. 03, 2011	Apr. 03, 2011	Jan. 02, 2011	Sep. 26, 2010	Jun. 27, 2010	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
Revenues from External Customers and Long-Lived Assets [Line Items]											
Equity Method Investments	\$ 442.8				\$ 411.9				\$ 442.8	\$ 411.9	
Net sales	1,948.7	1,805.9	1,784.7	1,675.3	1,674.9	1,590.3	1,508.1	1,446.8	7,214.6	6,220.1	5,459.2
Assets of discontinued operations	57.6				31.1				57.6	31.1	
Total tangible long-lived assets	1,539.3 ^[1]				1,363.2 ^[1]				1,539.3 ^[1]	1,363.2 ^[1]	
United States [Member]											
Revenues from External Customers and Long-Lived Assets [Line Items]											
Net sales, United States									5,952.7	5,161.8	4,476.2
Tangible long-lived assets, United States	1,211.6				1,056.9				1,211.6	1,056.9	
United Kingdom [Member]											
Revenues from External Customers and Long-Lived Assets [Line Items]											
Net sales, foreign countries									796.2	672.1	673.4
Tangible long-lived assets, foreign countries	165.9				172.8				165.9	172.8	
Other Countries [Member]											
Revenues from External Customers and Long-Lived Assets [Line Items]											
Net sales, foreign countries									465.7	386.2	309.6
Tangible long-lived assets, foreign countries	\$ 104.2				\$ 102.4				\$ 104.2	\$ 102.4	

[1] Long-lived assets exclude \$442.8 million and \$411.9 million in fiscal 2012 and 2011, respectively, related to investments in unconsolidated affiliates.

**1. Summary of Significant
Accounting Policies,
Environmental Costs
(Details) (USD \$)**

Apr. 01, 2012 Apr. 03, 2011

**In Millions, unless otherwise
specified**

Environmental Costs

Environmental reserves accrued \$ 71.4 \$ 66.8

**16. Accumulated Other
Comprehensive Loss
(Tables)**

**12 Months Ended
Apr. 01, 2012**

[Accumulated Other Comprehensive Income Loss Note](#)

[\[Abstract\]](#)

[Accumulated other comprehensive loss](#)

Fiscal	2012	2011
Cumulative unrealized foreign currency translation gains	\$ 19.6	\$ 32.7
Pension and postretirement obligations	(462.0)	(269.0)
Unrecognized gain on derivatives	0.7	1.7
Accumulated other comprehensive loss	<u>\$ (441.7)</u>	<u>\$ (234.6)</u>

**Consolidated Statements of
Cash Flows (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
<u>Operating activities:</u>			
Net income	\$ 1,225.8	\$ 1,014.8	\$ 922.6
Net loss (income) from discontinued operations	6.4	(4.1)	3.3
<u>Non-cash items:</u>			
Depreciation and amortization	169.8	163.8	151.8
Deferred income taxes	70.8	77.7	150.9
Stock-based compensation expense	48.4	47.3	41.1
Excess tax benefits from share-based payment arrangements	(29.6)	(30.3)	(23.1)
Other non-cash adjustments	(15.8)	(9.5)	2.1
<u>Changes in assets and liabilities, excluding effects of acquisitions and dispositions of businesses:</u>			
Receivables	(145.6)	(123.9)	131.7
Inventories	(223.8)	(7.6)	(120.7)
Prepaid expenses and other current assets	(6.2)	0.9	(5.1)
Income tax receivable and payable	40.2	82.5	(76.0)
Payables and accruals	31.0	31.7	(85.0)
Pension and other postretirement benefit plans	(51.3)	(108.5)	(184.4)
Other non-current assets and liabilities	55.1	88.4	(5.9)
Net cash used by operating activities of discontinued operations	(26.7)	(8.4)	(5.3)
Net cash provided by operating activities	1,038.3	1,038.0	909.8
<u>Investing activities:</u>			
Acquisitions of businesses, net of cash acquired	(1,423.9)	(37.2)	(864.2)
Investment in unconsolidated affiliates	0	(11.2)	(351.0)
Capital expenditures	(192.1)	(120.4)	(169.5)
Dispositions of businesses	0	17.6	24.8
Other investing activities, net	26.4	16.0	(17.9)
Net cash provided by investing activities of discontinued operations	0	2.3	2.0
Net cash used by investing activities	(1,589.6)	(132.9)	(1,375.8)
<u>Financing activities:</u>			
Net change in long-term debt	(28.6)	(14.7)	(55.3)
Common stock issued	122.1	116.3	89.0
Excess tax benefits from share-based payment arrangements	29.6	30.3	23.1
Cash dividends	(17.3)	(17.1)	(16.9)
Other financing activities, net	(2.4)	(1.2)	0
Net cash used by financing activities of discontinued operations	0	0	(1.0)
Net cash provided by financing activities	103.4	113.6	38.9
Effect of exchange rate changes on cash and cash equivalents	(12.4)	27.9	(15.0)
Net (decrease) increase in cash and cash equivalents	(460.3)	1,046.6	(442.1)
Cash and cash equivalents at beginning of year	1,159.0	112.4	554.5
Cash and cash equivalents at end of year	698.7	1,159.0	112.4

Cash paid during the year for:

Interest

12.1 13.0 15.4

Income taxes, net of refunds received

483.1 354.6 405.6

Non-cash investing and financing activities:

Dividends declared but not paid

\$ 4.4 \$ 4.3 \$ 4.3

18. Pensions and Other Postretirement Benefit Plans, Employer Contributions (Details) (USD \$) In Millions, unless otherwise specified	3 Months Ended	12 Months Ended				
	Sep. 26, 2010	Apr. 01, 2012 Pension Plans, Defined Benefit [Member]	Apr. 03, 2011 Pension Plans, Defined Benefit [Member]	Mar. 28, 2010 Pension Plans, Defined Benefit [Member]	Apr. 01, 2012 Other Postretirement Benefit Plans, Defined Benefit [Member]	Apr. 03, 2011 Other Postretirement Benefit Plans, Defined Benefit [Member]
Defined Benefit Plan Disclosure [Line Items]						
Company contributions		\$ 69.4	\$ 115.9		\$ 8.5	\$ 47.0
Defined Benefit Plan Contributions By Employer Voluntary		50.0	100.0	192.6		
Estimated company contributions in next fiscal year		62.4			7.0	
Estimated voluntary company contributions in next fiscal year		50.0				
Estimated required company contributions in next fiscal year		12.4				
Payment Postretirement Medical Benefit Plans	\$ 38.3					

3. Acquisitions

12 Months Ended

Apr. 01, 2012

[Business Combinations](#)

[\[Abstract\]](#)

[Acquisitions](#)

Acquisitions

Fiscal 2012

On July 14, 2011, we acquired the rings operations of Unison Engine Components ("Tru-Form") from GE Aviation, an operating unit of General Electric Company. Tru-Form is a leader in the manufacture of flash-welded and cold-rolled rings for jet engine and gas turbine applications, including spacer rings, combustion casings and liners, low pressure turbine casings, and fan cases. The innovative Tru-Form cold-rolling process produces a near-net-shaped part from a flash-welded ring, reducing material and machining costs and enabling the production of more complex part shapes. Tru-Form employs approximately 275 people across its three locations in Wilkes-Barre and Mountaintop, Pennsylvania, and Tyseley, England. The Tru-Form acquisition was an asset purchase for tax purposes and operates as part of the Forged Products segment.

On July 22, 2011, we acquired the assets of the Rollmet business ("Rollmet") from Rockwell Collins. Rollmet has developed a unique cold-roll extrusion process to manufacture precision thin wall pipe across a range of materials, including nickel alloys, stainless steel, aluminum, and carbon steel. Rollmet's products are utilized in a variety of oil and gas applications, as well as motor cases for missile programs. Rollmet has approximately 70 employees and operates one facility in Irvine, California. The Rollmet acquisition was an asset purchase for tax purposes and operates as part of the Forged Products segment.

On August 9, 2011, we acquired Primus International ("Primus") for approximately \$900 million in cash. Primus is a leading supplier of aerostructures and complex components and assemblies to the global aerospace industry, including swaged rods, and machined aluminum and titanium components. Product applications include wing, fuselage and engine-related assemblies, passenger and exit doors, and actuation and flight control assemblies. Headquartered in Bellevue, Washington, Primus employs approximately 1,500 people across five manufacturing locations, including three in the Seattle, Washington area, as well as Tulsa, Oklahoma, and Suzhou, China. The Primus acquisition was a stock purchase for tax purposes and operates as part of the Fastener Products segment. This transaction resulted in \$422.1 million of goodwill and \$505.3 million of other intangible assets, including customer relationships with indefinite lives valued at \$468.5 million, customer relationships with finite lives valued at \$15.6 million and backlog valued at \$21.2 million. We also recorded a long-term liability related to the fair value of loss contracts valued at 85.3 million.

On October 4, 2011, we acquired the assets of PB Fasteners ("PB"). PB is an industry leader in the design and manufacturing of fastener products for airframe applications, including the development of the SLEEVbolt® fastening system. PB's sleeve bolt technology is critical to mitigating the impact of lightning strikes on the Boeing 787 aircraft and other composite body aircraft. Located in Gardena, California, PB entered the aerospace fastener business in 1967. The PB acquisition was an asset purchase for tax purposes and operates as part of the Fastener Products segment.

Over the course of fiscal 2012, we completed several additional acquisitions which were not material, but do provide us with additional manufacturing capabilities.

The purchase price allocations for each business acquisition above, in addition to four minor acquisitions, are subject to further refinement. The impact of these acquisitions is not material to our consolidated results of operations; consequently, pro forma information has not been included.

Fiscal 2011

On January 3, 2011, we acquired an additional 1% equity interest in Yangzhou Chengde Steel Tube Co., Ltd (“Chengde”) for approximately \$7 million in cash, increasing our equity interest to 50%. We continue to account for this investment under the equity method as we currently do not exercise control of the major operating and financial policies of Chengde. The carrying value of this investment as of April 1, 2012 was \$424.3 million and was included in investment in unconsolidated affiliates in our consolidated balance sheet. The carrying value of our investment in Chengde exceeded the amount of underlying equity in net assets of Chengde by approximately \$189 million as of April 1, 2012. This difference arose through the valuation process that was applied to the assets acquired.

Fiscal 2010

On September 30, 2009, we completed the acquisition of Carlton Forge Works and a related entity (“Carlton”) for approximately \$847 million in cash, comprised of approximately \$502 million of cash on hand and the proceeds of approximately \$345 million of commercial paper debt issuance (subsequently repaid). Carlton, a leading manufacturer of seamless rolled rings for critical aerospace applications, offers nickel, titanium, and steel rolled rings across the widest range of product sizes in the industry. Carlton broadens our forging capabilities and enables us to provide a full range of forged products to our aerospace engine customers. The Carlton acquisition is an asset purchase for tax purposes and operates as part of our Forged Products segment. This transaction resulted in \$400.1 million of goodwill (which is deductible for tax purposes) and \$336.7 million of other intangible assets, including tradenames with indefinite lives valued at \$89.1 million, customer relationships with indefinite lives valued at \$204.8 million, customer relationships with finite lives valued at \$3.7 million, backlog valued at \$10.2 million and revenue sharing agreements valued at \$28.9 million. We also recorded a long-term liability related to the fair value of a pre-existing revenue sharing agreement valued at \$92.0 million. The impact of this acquisition was not material to our consolidated results of operations; consequently, pro-forma information has not been included.

On January 15, 2010, we acquired a 49% equity interest in Chengde for approximately \$355 million in cash, comprised of approximately \$115 million of cash on hand and the proceeds of approximately \$240 million of commercial paper debt issuance (subsequently repaid). Chengde is a leading manufacturer of seamless, extruded pipe for boiler applications in coal-fired power plants, as well as pipe and tubing for other energy-related applications, such as compressed natural gas. The company operates from one facility with a manufacturing footprint of nearly 6 million square feet in the Jiangsu Province of China. Chengde has built a leading position in the Chinese boiler pipe market and has begun to make inroads into export markets.

The above business acquisitions, in addition to four minor acquisitions in fiscal 2012, were accounted for under the acquisition method of accounting (except for the investment in Chengde, which was accounted for under the equity method) and, accordingly, the results of operations have been included in the Consolidated Statements of Income since the acquisition date.

**6. Inventories (Details) (USD
\$)
In Millions, unless otherwise
specified**

Apr. 01, 2012 Apr. 03, 2011

Inventory, Net [Abstract]

<u>Finished goods</u>	\$ 340.6	\$ 333.7
<u>Work-in-process</u>	742.1	538.8
<u>Raw materials and supplies</u>	544.5	437.2
<u>FIFO inventory amount</u>	1,627.2	1,309.7
<u>Excess of LIFO cost over current cost</u>	190.4	149.7
<u>Total inventory</u>	\$ 1,817.6	\$ 1,459.4
<u>LIFO inventory as percentage of total inventories</u>	93.00%	91.00%

**18. Pensions and Other
Postretirement Benefit Plans
(Details) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

Change in plan assets:

<u>Beginning fair value of plan assets</u>	\$	
	1,680.2	
<u>Ending fair value of plan assets</u>	1,719.3	

Amounts recognized in the balance sheets:

<u>Noncurrent liabilities</u>	(358.9)	(252.5)
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Estimated amount of net periodic cost included in accumulated other comprehensive loss to be amortized in fiscal 2013:

<u>Net loss</u>	46.4	
<u>Prior service cost</u>	3.5	
<u>Defined Benefit Plan, Amortization of Net Transition Asset (Obligation)</u>	(0.1)	

Defined benefit pension plans with accumulated benefit obligations in excess of plan assets:

<u>Aggregate projected benefit obligation</u>	681.8	
<u>Aggregate accumulated benefit obligation</u>	632.7	
<u>Aggregate fair value of plan assets</u>	493.6	

Pension Plans, Defined Benefit [Member]

Change in plan assets:

<u>Beginning fair value of plan assets</u>	1,680.2	1,473.2
<u>Actual return on plan assets</u>	53.4	120.6
<u>Adjustment from curtailment/settlement</u>	0	0
<u>Company contributions</u>	69.4	115.9
<u>Plan participants' contributions</u>	2.2	2.3
<u>Benefits paid</u>	(81.6)	(78.6)
<u>Exchange rate and other</u>	(4.3)	46.8
<u>Ending fair value of plan assets</u>	1,719.3	1,680.2

Change in projected benefit obligations:

<u>Beginning projected benefit obligations</u>	1,642.8	1,490.3
<u>Service cost</u>	34.5	33.5
<u>Interest cost</u>	92.1	91.0
<u>Plan participants' contributions</u>	2.2	2.3
<u>Amendments/curtailments/settlement</u>	4.6	0
<u>Actuarial losses (gains)</u>	227.0	61.1
<u>Benefits paid</u>	(81.6)	(78.6)
<u>Exchange rate and other</u>	(2.4)	43.2
<u>Ending projected benefit obligations</u>	1,919.2	1,642.8

Funded Status:

<u>Fair value of plan assets (less) greater than projected pension and postretirement benefit obligations</u>	(199.9)	37.4
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Amounts recognized in the balance sheets:

<u>Noncurrent asset</u>	13.4	149.5
<u>Current liabilities</u>	(5.4)	(8.6)
<u>Noncurrent liabilities</u>	(207.9)	(103.5)
<u>Net amount recognized</u>	(199.9)	37.4

Amounts recognized in accumulated other comprehensive loss consist of:

<u>Net actuarial loss</u>	669.6	389.5
<u>Prior service cost (benefit)</u>	17.7	16.5
<u>Unrecognized net transition obligation</u>	0.1	0
<u>Net amount recognized, before tax effect</u>	687.4	406.0

Other Postretirement Benefit Plans, Defined Benefit [Member]

Change in plan assets:

<u>Beginning fair value of plan assets</u>	0	0	
<u>Actual return on plan assets</u>	0	0	
<u>Adjustment from curtailment/settlement</u>	0	(38.0)	
<u>Company contributions</u>	8.5	47.0	
<u>Plan participants' contributions</u>	0	0	
<u>Benefits paid</u>	(8.5)	(9.0)	
<u>Exchange rate and other</u>	0	0	
<u>Ending fair value of plan assets</u>	0	0	0

Change in projected benefit obligations:

<u>Beginning projected benefit obligations</u>	83.5	130.3	
<u>Service cost</u>	0.7	0.8	1.3
<u>Interest cost</u>	4.6	5.7	8.5
<u>Plan participants' contributions</u>	0	0	
<u>Amendments/curtailments/settlement</u>	1.8	(37.7)	
<u>Actuarial losses (gains)</u>	8.6	(6.6)	
<u>Benefits paid</u>	(8.5)	(9.0)	
<u>Exchange rate and other</u>	0	0	
<u>Ending projected benefit obligations</u>	90.7	83.5	130.3

Funded Status:

<u>Fair value of plan assets (less) greater than projected pension and postretirement benefit obligations</u>	(90.7)	(83.5)
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Amounts recognized in the balance sheets:

<u>Noncurrent asset</u>	0	0
<u>Current liabilities</u>	(7.0)	(7.5)
<u>Noncurrent liabilities</u>	(83.7)	(76.0)
<u>Net amount recognized</u>	(90.7)	(83.5)

Amounts recognized in accumulated other comprehensive loss consist of:

<u>Net actuarial loss</u>	15.4	7.4
<u>Prior service cost (benefit)</u>	1.6	(0.6)
<u>Unrecognized net transition obligation</u>	0	0
<u>Net amount recognized, before tax effect</u>	\$ 17.0	\$ 6.8

**10. Income Taxes, Uncertain
Tax Positions (Details) (USD
\$)
In Millions, unless otherwise
specified**

12 Months Ended

**Apr. 01, Apr. 03, Mar. 28,
2012 2011 2010**

**Reconciliation of Unrecognized Tax Benefits, Excluding Amounts Pertaining
to Examined Tax Returns [Roll Forward]**

<u>Beginning Balance</u>	\$ 12.3	\$ 25.4	\$ 28.5
<u>Gross increases related to prior period tax positions</u>	4.0	9.8	24.7
<u>Gross decreases related to prior period tax positions</u>	(0.3)	(18.9)	(21.9)
<u>Gross increases related to current period tax positions</u>	0.7	1.6	3.7
<u>Decrease related to settlements with tax authorities</u>	(3.7)	(5.4)	(9.3)
<u>Expiration of the statute of limitations for assessment of taxes</u>	(0.1)	(0.2)	(0.3)
<u>Ending Balance</u>	12.9	12.3	25.4

Income Tax Uncertainties [Abstract]

<u>Accrual for interest and penalties</u>	3.1	0.9	
<u>Unrecognized tax benefits that would impact effective tax rate if recognized</u>	4.3	4.7	
<u>Estimated change in the reserve for uncertain tax positions within the next twelve months, minimum</u>	0		
<u>Estimated change in the reserve for uncertain tax positions within the next twelve months, maximum</u>	\$ 1.4		

20. Subsequent Event

**12 Months Ended
Apr. 01, 2012**

[Subsequent Events](#)

[\[Abstract\]](#)

[Subsequent Event](#)

Subsequent events

On April 2, 2012, we acquired RathGibson, LLC ("RathGibson"). RathGibson manufactures precision thin-wall, nickel-alloy and stainless steel welded and seamless tubing, with broad capabilities in length, wall thickness, and diameter. RathGibson's products are used in a multitude of oil & gas, chemical/petrochemical processing, and power generation applications, as well as in other commercial markets. RathGibson operates three facilities in Janesville, Wisconsin; North Branch, New Jersey; and Clarksville, Arkansas, and employs more than 500 people. The RathGibson acquisition is an asset purchase for tax purposes and will be reported as part of the Forged Products segment.

On May 18, 2012, we acquired Centra Industries ("Centra"), a state-of-the art aerostructures manufacturer located in Cambridge, Ontario. Centra manufactures a range of machined airframe components and assemblies, in both aluminum and hard metals. Core competencies include the high-speed machining of complex, high-precision structures, sub-assembly, and kit integration. Established in 1974, Centra has approximately 400 non-union employees. The Centra acquisition is a stock purchase for tax purposes and will be reported as part of the Fastener Products segment.

On May 20, 2012, we agreed to acquire Dickson Testing Company ("Dickson") and Aerocraft Heat Treating Company ("Aerocraft"). Dickson offers a full range of destructive testing services including: mechanical properties; metallurgical and chemical analyses; and low-cycle fatigue testing. Dickson is located in South Gate, California, with approximately 110 employees. Aerocraft provides precision heat treating services for titanium and nickel alloy forgings and castings used in the aerospace industry, as well as other related services including straightening, de-twisting and forming. Aerocraft is located in Paramount, California, with nearly 60 employees. The acquisition is an asset purchase for tax purposes and will be reported as part of the Forged Products segment. The transaction is expected to be completed by July 2012.

**14. Shareholders' Equity,
Shareholder Rights Plan
(Details)**

**12 Months Ended
Apr. 01, 2012
number**

Stockholders' Equity Note [Abstract]

<u>Dividends, Rights, per Share of Common Stock, Number of Rights</u>	1
<u>Conversion of Rights, for Preferred Serial Stock, No Par, Series A, Number of Shares</u>	0.001
<u>Threshold of takeover or offer that would result in takeover acquisition percentage at which dividend right becomes exercisable</u>	15.00%
<u>Exercise of rights, terms, tender or exchange order to acquire outstanding common stock, minimum percentage</u>	50.00%
<u>Redemption of rights, common stock shares of parent company, value</u>	Market value of two times the exercise price of the right
<u>Redemption of rights, common stock shares of acquiring company, value</u>	Value equal to two times the purchase price of the right
<u>Exchange option, right for common stock, number of shares</u>	1
<u>Exchange option, right for preferred stock, number of shares</u>	0.001
<u>Redemption option, outstanding rights, redemption value per right</u>	0.001
<u>Rights effective date</u>	Dec. 16, 2008
<u>Rights expiration date</u>	Dec. 15, 2018

12. Fair Value Measurements (Tables)

[Financial Instruments, Financial Assets, Balance Sheet Groupings \[Abstract\]](#)

[Fair value measurement of assets and liabilities on a recurring basis](#)

**12 Months Ended
Apr. 01, 2012**

The following table presents the assets and liabilities measured at fair value on a recurring basis as of April 1, 2012:

		Fair Value Measurements Using						Assets/ Liabilities at Fair Value
		Level 1		Level 2		Level 3		
Assets:								
Trading securities	\$	74.5	\$	—	\$	—	\$	74.5
Derivative instruments	\$	—	\$	4.1	\$	—	\$	4.1
Liabilities:								
Derivative instruments	\$	—	\$	1.9	\$	—	\$	1.9

The following table presents the assets and liabilities measured at fair value on a recurring basis as of April 3, 2011:

		Fair Value Measurements Using				Assets/ Liabilities at Fair Value		
		Level 1	Level 2	Level 3				
Assets:								
Trading securities	\$	400.2	\$	99.0	\$	—	\$	499.2
Derivative instruments	\$	—	\$	7.5	\$	—	\$	7.5
Liabilities:								
Derivative instruments	\$	—	\$	3.3	\$	—	\$	3.3

13. Commitments and Contingencies

12 Months Ended
Apr. 01, 2012

[Commitments and Contingencies Disclosure](#)

[\[Abstract\]](#)

[Commitments and Contingencies](#)

Commitments and contingencies

We lease certain facilities, office space and equipment under operating leases for varying periods. Future minimum rental payments under non-cancelable operating leases with initial or remaining terms of one year or more at April 1, 2012 are as follows:

Fiscal Year		
2013	\$	28.2
2014		22.7
2015		18.5
2016		13.6
2017		9.8
Thereafter		54.6
Total	\$	147.4

Operating lease obligations include \$42.8 million attributable to operations held-for-sale. Total rent expense for all operating leases was \$34.3 million, \$25.0 million and \$22.2 million for fiscal 2012, 2011 and 2010, respectively.

Various lawsuits arising during the normal course of business are pending against us. In the opinion of management, the outcome of these lawsuits, either individually or in the aggregate, will not have a material effect on our consolidated financial position, results of operations, cash flows or business.

In the ordinary course of business, we warrant that our products will conform to contractually established standards and tolerances over various time periods. The warranty accrual as of April 1, 2012 and April 3, 2011, and the change in the accrual for fiscal 2012, 2011 and 2010, is not material to our consolidated financial position, results of operations or cash flows.

In connection with certain transactions, primarily divestitures, we may provide routine indemnifications (e.g., retention of previously existing environmental and tax liabilities) with terms that range in duration and often are not explicitly defined. Where appropriate, an obligation for such indemnifications is recorded as a liability. Because the obligated amounts of these types of indemnifications often are not explicitly stated, the overall maximum amount of the obligation under such indemnifications cannot be reasonably estimated. Other than obligations recorded as liabilities at the time of divestiture, we have not historically made significant payments for these indemnifications.

Quarterly Financial Information (Details) (USD \$) In Millions, except Per Share data, unless otherwise specified	3 Months Ended								12 Months Ended		
	Apr. 01, 2012	Jan. 01, 2012	Oct. 02, 2011	Jul. 03, 2011	Apr. 03, 2011	Jan. 02, 2011	Sep. 26, 2010	Jun. 27, 2010	Apr. 01, 2012	Apr. 03, 2011	Mar. 28, 2010
Net sales	\$ 1,948.7	\$ 1,805.9	\$ 1,784.7	\$ 1,675.3	\$ 1,674.9	\$ 1,590.3	\$ 1,508.1	\$ 1,446.8	\$ 7,214.6	\$ 6,220.1	\$ 5,459.2
Gross profit	617.1	572.3	550.9	525.0	493.8	488.6	460.9	450.1			
Net income	336.6	307.7	295.0	286.5	271.2	256.9	251.3	235.4	1,225.8	1,014.8	922.6
Net income (loss) attributable to PCC shareholders:											
Continuing operations	338.4	310.0	296.5	285.6	271.0	258.7	243.6	236.1	1,230.5	1,009.4	925.1
Discontinued operations	(2.3)	(2.7)	(1.8)	0.4	0	(2.2)	7.4	(1.1)	(6.4)	4.1	(3.3)
Net income attributable to Precision Castparts Corp. ("PCC")	\$ 336.1	\$ 307.3	\$ 294.7	\$ 286.0	\$ 271.0	\$ 256.5	\$ 251.0	\$ 235.0	\$ 1,224.1	\$ 1,013.5	\$ 921.8
Net income (loss) per share- basic:											
Continuing operations	\$ 2.33	\$ 2.15	\$ 2.06	\$ 1.99	\$ 1.89	\$ 1.81	\$ 1.71	\$ 1.66	\$ 8.52	\$ 7.07	\$ 6.57
Discontinued operations	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ 0.00	\$ 0.00	\$ (0.01)	\$ 0.05	\$ (0.01)	\$ (0.04)	\$ 0.03	\$ (0.02)
Net income per share (basic)	\$ 2.32	\$ 2.13	\$ 2.05	\$ 1.99	\$ 1.89	\$ 1.80	\$ 1.76	\$ 1.65	\$ 8.48	\$ 7.10	\$ 6.55
Net income (loss) per share- diluted:											
Continuing operations	\$ 2.31	\$ 2.13	\$ 2.04	\$ 1.97	\$ 1.87	\$ 1.80	\$ 1.70	\$ 1.65	\$ 8.45	\$ 7.01	\$ 6.51
Discontinued operations	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ 0.00	\$ 0.00	\$ (0.02)	\$ 0.05	\$ (0.01)	\$ (0.04)	\$ 0.03	\$ (0.02)
Net income per share (diluted)	\$ 2.30	\$ 2.11	\$ 2.03	\$ 1.97	\$ 1.87	\$ 1.78	\$ 1.75	\$ 1.64	\$ 8.41	\$ 7.04	\$ 6.49
Cash dividends per share	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.12	\$ 0.12	\$ 0.12
Common stock prices:											
High	\$ 179.47	\$ 178.98	\$ 173.98	\$ 165.99	\$ 151.96	\$ 145.40	\$ 131.74	\$ 135.40			
Low	\$ 162.07	\$ 139.87	\$ 136.04	\$ 140.42	\$ 136.00	\$ 126.90	\$ 100.99	\$ 102.46			
End	\$ 172.90	\$ 164.79	\$ 155.46	\$ 165.84	\$ 149.61	\$ 139.21	\$ 131.38	\$ 108.56	\$ 172.90	\$ 149.61	