

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K/A

Annual report pursuant to section 13 and 15(d) [amend]

Filing Date: **1997-06-23** | Period of Report: **1996-12-31**
SEC Accession No. **0000950128-97-000810**

([HTML Version](#) on secdatabase.com)

FILER

RMI TITANIUM CO

CIK: **854663** | IRS No.: **310875005** | State of Incorpor.: **OH** | Fiscal Year End: **1231**
Type: **10-K/A** | Act: **34** | File No.: **001-10319** | Film No.: **97628259**
SIC: **3350** Rolling drawing & extruding of nonferrous metals

Mailing Address
1000 WARREN AVE
NILES OH 44446

Business Address
1000 WARREN AVE
NILES OH 44446
2165447700

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996

OR

[] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number 1-10319

RMI TITANIUM COMPANY
(Exact name of registrant as specified in its charter)

OHIO
(State of Incorporation)

31-0875005
(I.R.S. Employer
Identification No.)

1000 WARREN AVENUE, NILES, OHIO
(Address of principal executive offices)

44446
(Zip Code)

Registrant's telephone number, including area code: 330-544-7700

FORM 10-K/A
AMENDMENT NO. 1 TO
ANNUAL REPORT
ON
FORM 10-K
FOR THE YEAR ENDED
DECEMBER 31, 1996
OF

RMI TITANIUM COMPANY

Pursuant to Rule 12b-15, promulgated under the Securities Exchange Act of 1934, RMI Titanium Company hereby amends each of the following Items of its Annual Report on Form 10-K for the year ended December 31, 1996, so that, as amended, such Items read as set forth herein.

Index to Exhibits
Exhibit 23.1

INDEX TO EXHIBITS

<TABLE>

<CAPTION>

EXHIBIT NO.	DESCRIPTION	SEQUENTIAL PAGE NUMBER
<C>	<S>	<C>
2.0	Amended and Restated Reorganization Agreement, incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form S-1 No. 33-30667 Amendment No. 1.	
3.1	Articles of Incorporation of the Company, as amended March 31, 1994, incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1994.	
3.2	Amended Code of Regulations of the Company, incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.	
4.1	Credit Agreement dated as of April 15, 1996 by and among RMI Titanium Company, an Ohio corporation, and PNC Bank, National Association, incorporated by reference to the Company's Registration Statement on Form S-3 No. 333-01553 Amendment No. 2.	
10.1	Agreement for the sale and purchase of titanium tetrachloride between SCM Chemicals, Inc., and RMI Titanium Company dated March 9, 1993 incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 1992.+	
10.2	Agreement for the supply, purchase and sale of chlorine between SCM Chemicals, Inc., and RMI Titanium Company dated as of November 13, 1990, incorporated by reference to Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 1990.	
10.3	RMI Company Annual Incentive Compensation Plan, incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form S-1 No. 33-30667 Amendment No. 2.	
10.4	RMI Titanium Company 1989 Stock Option Incentive Plan, incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1 No. 33-30667 Amendment No. 2.	
10.5	RMI Titanium Company Supplemental Pension Plan effective August 1, 1987, and amended as of December 12, 1990, incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 1990.	
10.6	RMI Titanium Company 1989 Employee Restricted Stock Award Plan, incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1, No. 33-30667 Amendment No. 2.	
10.7	Amendment to RMI Titanium Company 1989 Employee Restricted Stock Award Plan, incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 1990.	
10.8	RMI Titanium Company Excess Benefits Plan effective July 18, 1991, incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1991.	
10.9	Sales Agreement for the supply of titanium sponge and plasma electrodes between Oregon Metallurgical Corporation and RMI Titanium Company dated as of August 8, 1994, incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.+	

</TABLE>

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION	SEQUENTIAL PAGE NUMBER
<C>	<S>	<C>
10.10	Sales Agreement for the supply of titanium sponge between Osaka Titanium Co., Ltd., Sumitomo Corporation, Sumitomo Corporation of America, and RMI Titanium Company dated as of September 4, 1992, incorporated by reference to Exhibit 10.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.+	
10.11	RMI Titanium Company 1995 Stock Plan, incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.	
10.12	Employment agreement, dated September 1, 1996, between the Company and John H. Odle, incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996.	
10.13	Employment agreement, dated September 1, 1996, between the Company and T. G. Rupert, incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996.	
10.14	Employment agreement, dated February 1, 1997, between the Company and Harry B. Watkins, incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 1996.	
10.15	Registration Rights Agreement dated August 21, 1996 between the Company and USX Corporation, incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996.	
21	Subsidiaries of the Company (Previously Filed).	
23.1	Consent of Price Waterhouse LLP.	
24	Powers of Attorney (Previously Filed).	
27	Financial Data Schedule (Previously Filed).	
99.1	Financial Statements of The RMI Titanium Company Employees Savings and Investment Plan for the year ended December 31, 1996 (filed herewith).	
99.2	Financial Statements of The RMI Titanium Company Bargaining Unit Employees Savings and Investment Plan for the year ended December 31, 1996 (filed herewith).	

</TABLE>

+ Confidential treatment has been requested.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-38559) of RMI Titanium Company of our report dated May 30, 1997, appearing on page 1 of the Annual Report of The RMI Titanium Company Employee Savings and Investment Plan which appears as Exhibit 99.1 to the Annual Report on Form 10-K of RMI Titanium Company for the year ended December 31, 1996, as amended by this Form 10-K/A. We also consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-38340) of RMI Titanium Company of our report dated May 30, 1997, appearing on page 1 of the Annual Report of The RMI Titanium Company Bargaining Unit Employees Savings and Investment Plan which appears as Exhibit 99.2 to the Annual Report on Form 10-K of RMI Titanium Company for the year ended December 31, 1996, as amended by this Form 10-K/A.

PRICE WATERHOUSE LLP

Pittsburgh, Pennsylvania
June 19, 1997

RMI TITANIUM COMPANY
EMPLOYEE SAVINGS AND INVESTMENT PLAN

ANNUAL REPORT

FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995

EXHIBIT 99.1

REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Administrator
of RMI Titanium Company Employees
Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the RMI Titanium Company Employees Savings and Investment Plan (the Plan) at December 31, 1996 and 1995, and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by the Employee Retirement Income Security Act of 1974. The Fund Information in the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for benefits of each fund. Schedules I and II and the Fund Information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PRICE WATERHOUSE LLP

Pittsburgh, Pennsylvania
May 30, 1997

RMI TITANIUM COMPANY

EMPLOYEE SAVINGS AND INVESTMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1996 AND 1995

<TABLE>

<CAPTION>

	1996	1995
	-----	-----
<S>	<C>	<C>
Investments, at fair value:		
Fidelity Magellan Mutual Fund Account.....	\$3,270,017	\$3,211,118
Fidelity Advisor Income and Growth Account.....	115,611	85,780
CIGNA Stock Market Index Account.....	343,352	78,057
CIGNA International Equity Account.....	469,416	376,105
RMI Titanium Company Common Stock Account.....	471,950	191,475
Participant Loans Receivable.....	180,311	114,235
	-----	-----
	4,850,657	4,056,770
Investments, at contract value:		
Connecticut General Life Insurance Co. Guaranteed		
"Long-Term" Account.....	3,425,458	2,970,415
	-----	-----

Net assets available for benefits..... \$8,276,115 \$7,027,185
=====

</TABLE>

The accompanying notes are an integral part of these Financial Statements.

1

4

RMI TITANIUM COMPANY

EMPLOYEE SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1996

	CIGNA GUARANTEED "LONG-TERM" ACCOUNT	FIDELITY MAGELLAN MUTUAL FUND ACCOUNT	FIDELITY ADVISOR INCOME & GROWTH ACCOUNT	CIGNA STOCK MARKET INDEX ACCOUNT	CIGNA INT'L. EQUITY ACCOUNT	RMI TITANIUM CO. COMMON STOCK ACCOUNT	PARTICIPANT LOANS RECEIVABLE	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Employees' contributions...	\$ 280,921	\$ 230,252	\$49,164	\$ 61,842	\$ 61,977	\$ 18,006	\$ --	\$ 702,162
Investment income:								
Interest and dividend income....	179,432	520,722	--	--	--	--	13,670	713,824
Net appreciation (depreciation) in fair value of investments...	--	(172,095)	9,192	34,617	40,762	391,245	--	303,721
Transfers....	179,432 168,113	348,627 (399,178)	9,192 (14,403)	34,617 168,839	40,762 22,636	391,245 (48,067)	13,670 52,406	1,017,545 (49,654)
Total net additions (deductions)...	628,466	179,701	43,953	265,298	125,375	361,184	66,076	1,670,053
Participant's benefits paid.....	(173,423)	(120,802)	(14,122)	(3)	(32,064)	(80,709)	--	(421,123)
Total net deductions...	(173,423)	(120,802)	(14,122)	(3)	(32,064)	(80,709)	--	(421,123)
Increase (decrease) in net assets...	455,043	58,899	29,831	265,295	93,311	280,475	66,076	1,248,930
Net assets available for benefits:								
Beginning of year.....	2,970,415	3,211,118	85,780	78,057	376,105	191,475	114,235	7,027,185
End of year.....	\$3,425,458	\$3,270,017	\$115,611	\$343,352	\$469,416	\$471,950	\$ 180,311	\$8,276,115

</TABLE>

The accompanying notes are an integral part of these Financial Statements.

2

5

RMI TITANIUM COMPANY

EMPLOYEE SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1995

	FIDELITY	CIGNA
--	----------	-------

<TABLE>

<CAPTION>

	CIGNA GUARANTEED "LONG- TERM" ACCOUNT	FIDELITY MAGELLAN MUTUAL FUND ACCOUNT	ADVISOR INCOME & GROWTH ACCOUNT	STOCK MARKET INDEX ACCOUNT	CIGNA INT'L. EQUITY ACCOUNT	RMI TITANIUM CO. COMMON STOCK ACCOUNT	PARTICIPANT LOANS RECEIVABLE	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Employees' contributions...	\$ 253,825	\$ 219,744	\$13,976	\$9,159	\$ 42,446	\$ 9,360	\$ --	\$ 548,510
Investment Income:								
Interest and dividend income.....	170,854	185,554	--	--	--	--	12,173	368,581
Net appreciation in fair value of investments...	--	625,671	11,491	17,026	34,663	50,474	--	739,325
Transfers.....	170,854 11,501	811,225 2,957	11,491 (7,569)	17,026 16,831	34,663 (17,454)	50,474 39,375	12,173 (1,645)	1,107,906 43,996
Total net additions...	436,180	1,033,926	17,898	43,016	59,655	99,209	10,528	1,700,412
Participant's benefits paid.....	(196,918)	(83,928)	--	(7,039)	--	(115)	(8,385)	(296,385)
Total net deductions...	(196,918)	(83,928)	--	(7,039)	--	(115)	--	(296,385)
Increase in net assets.....	239,262	949,998	17,898	35,977	59,655	99,094	2,143	1,404,027
Net assets available for benefits:								
Beginning of year.....	2,731,153	2,261,120	67,882	42,080	316,450	92,381	112,092	5,623,158
End of year...	\$2,970,415	\$3,211,118	\$85,780	\$78,057	\$376,105	\$191,475	\$ 114,235	\$7,027,185

</TABLE>

The accompanying notes are an integral part of these Financial Statements.

RMI TITANIUM COMPANY
EMPLOYEE SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996 AND 1995

NOTE 1--SUMMARY OF ACCOUNTING POLICIES:

ACCOUNTING METHOD

The financial statements of the RMI Titanium Company Savings and Investment Plan (the Plan) use the accrual method of accounting.

USE OF ESTIMATES

Generally accepted accounting principles require management to make certain estimates and assumptions relating primarily to the fair market value of certain Plan assets. For additional information on the fair market value of Plan assets see "Investments" below.

INVESTMENTS

Available investment options are as follows:

- Fidelity Magellan Mutual Fund Account (a mutual fund)
- RMI Titanium Company Common Stock
- Connecticut General Life Insurance Company Guaranteed "Long-Term" Account (guaranteed investment contract)
- Funds managed by CIGNA or Connecticut General Life Insurance Company, a wholly-owned subsidiary of CIGNA:
 - Stock Market Index Account
 - Fidelity Advisor Income and Growth Account
 - International Equity Account

Investments in the Fidelity Magellan Mutual Fund and RMI Titanium Company

Common Stock are valued at fair market value based on published quotations. The guaranteed investment contract is valued at contract value, which approximates fair market value, and includes approximately \$50,000 of assets as of December 31, 1996, which will be allocated in accordance with participants chosen investment elections in effect at the time the funds were withheld. All CIGNA managed funds are valued by CIGNA based on the published quotations of the underlying investments within each of the funds and reflect current market value. Security transactions are recorded as of the settlement date.

FUNDING

The Plan is funded by contributions from the participating employees of RMI Titanium Company (the Company). The costs of administering the Plan and the trust are borne by the Company.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

NOTE 2--DESCRIPTION OF PLAN:

GENERAL

The Plan Sponsor is RMI Titanium Company (the Company). The Company is a successor to entities that have been operating in the titanium industry since 1958. The Company's operations are conducted primarily in one business segment, the production and marketing of titanium metal and related products.

4

7

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering full-time salaried, nonrepresented employees who are at least 21 years of age and have one year of service. Effective July 1, 1996, eligibility was amended to at least 21 years of age and three months of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

CONTRIBUTIONS

Participants may contribute from 1% to 15% of salary through payroll deduction. Pre-tax contributions are subject to annual limitations as prescribed by law (\$9,500 in 1996). Certain highly compensated participants, as defined by the Internal Revenue Code, may contribute from 1% to 7% of salary through payroll deduction. Contributions are directed by the participants into any one or all of the investment options. Participants may change their elections of investment funds by calling the recordkeeper directly or by completing a new enrollment and change form and submitting it to the employee benefits department at least 15 days in advance. Participants are 100% vested in their accounts at all times.

PAYMENT OF BENEFITS

Participants or their beneficiaries are entitled to the full current value of their account in the Plan upon:

Retirement;
Termination of Employment with the Company;
or Death

Participants may also make written application to the administrator for withdrawal of all or a portion of their account balance for certain limited situations qualifying as financial hardships under Internal Revenue Service guidelines in effect at the time of withdrawal.

PARTICIPANT LOANS RECEIVABLE

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to 50% of the existing account balance. Loans are treated as a transfer [from] the investment fund to the Participant Loans Receivable fund. Loan repayment terms range from one month to five years and are secured by the balance in the participant account. Loans bear interest at a rate commensurate with the current market rate when made. Loans made in 1996 bear interest at 8.75%. Interest rates on loans made prior to 1996 range from 8.75% to 15.00%. Principal and interest are paid ratably through monthly payroll deductions. Repayments are transfers to the investment funds [from] the Participant Loans Receivable fund.

TRANSFERS

Transfers represents net inter-plan and inter-fund transfers.

ADMINISTRATOR

The Plan's administrator is the Company's Retirement Board. The Board establishes rules of procedures and interprets the provisions of the Plan.

TERMINATION PROVISION

The Company anticipates the Plan will continue without interruption, but reserves the right to discontinue the Plan at any time. In the event that such discontinuance results in the termination of the Plan, the Plan provides that each participant shall be fully vested with the amount in his/her individual account which includes earnings on the participant's contributions. The individual accounts of the participants shall continue to be administered by the administrator, or be distributed in a lump sum to the participants, as deemed appropriate by the administrator.

5

8

NOTE 3--INCOME TAXES:

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated April 30, 1996, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator believes that the Plan is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan financial statements.

NOTE 4--RECORDKEEPING

Individual participant account balances, allocation and investment options are maintained by CIGNA based on enrollment and payroll information supplied by the Company.

NOTE 5--SUBSEQUENT EVENT

Effective February 1, 1997, the Company changed the Plan Recordkeeper from CIGNA to Fidelity Investments. Concurrently, new investment options in Fidelity managed funds were made available to plan participants. Existing balances in CIGNA managed funds were transferred to the Fidelity Fund most closely matching the stated investment strategy. The RMI Titanium Company Common Stock investment option was retained.

6

9

SCHEDULE I

FORM 5500

ITEM 27A--SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

RMI TITANIUM COMPANY

EMPLOYEE SAVINGS & INVESTMENT PLAN

<TABLE>

<CAPTION>

(a)	(b) IDENTITY	(c) DESCRIPTION OF INVESTMENT	(d) COST	(e) CURRENT VALUE
<S>	<C>	<C>	<C>	<C>
--	Fidelity Investments.....	Fidelity Magellan Mutual Fund Acc't	\$2,968,119	\$3,270,017
*	Connecticut General Life Insurance Company.....	Guaranteed "Long-term" Account	3,425,458	3,425,458
*	Connecticut General Life Insurance Company.....	Stock Market Index Account	300,700	343,352
*	Connecticut General Life Insurance Company.....	Fidelity Advisor Income and Growth Account	103,071	115,611
*	Connecticut General Life Insurance Company.....	International Equity Account	402,983	469,416
*	RMI Titanium Company.....	RMI Titanium Company Common Stock Account	225,707	471,950
--	Participant Loans.....	Interest Rates High 15.00%, Low 8.75%	N/A	180,311
			TOTAL:	\$8,276,115

</TABLE>

SCHEDULE II
FORM 5500

ITEM 27D--SCHEDULE OF REPORTABLE TRANSACTIONS

RMI TITANIUM COMPANY
EMPLOYEE SAVINGS & INVESTMENT PLAN

A. PURCHASES:

IDENTITY OF PARTY INVOLVED	DESCRIPTION OF ASSETS	NUMBER OF TRANSACTIONS	PURCHASED PRICE	SELLING PRICE	COST OF ASSET	CURRENT VALUE	NET GAIN OR (LOSS)
Fidelity Investments	Fidelity Magellan	34	\$1,066,639	N/A	\$1,066,639	\$1,066,639	N/A
Connecticut General Life Insurance Co.	Stock Market Index	33	291,664	N/A	291,664	291,664	N/A
Connecticut General Life Insurance Co.	Guaranteed "Long-Term"	44	733,381	N/A	733,381	733,381	N/A
RMI Titanium Company	Common Stock	39	263,239	N/A	263,239	263,239	N/A
B. SALES:							
Fidelity Investments	Fidelity Magellan	48	N/A	\$684,590	644,436	684,590	\$40,154
Connecticut General Life Insurance Co.	Guaranteed "Long-Term"	56	N/A	463,905	463,905	463,905	N/A
Connecticut General Life Insurance Co.	Stock Market Index	7	N/A	60,957	53,873	60,957	7,084
RMI Titanium Company	Common Stock	22	N/A	374,720	133,106	374,720	241,614

RMI TITANIUM COMPANY
BARGAINING UNIT EMPLOYEES SAVINGS
AND INVESTMENT PLAN

ANNUAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 1996 AND 1995

EXHIBIT 99.2

REPORT OF INDEPENDENT ACCOUNTANTS

May 30, 1997

To the Participants and Administrator
of RMI Titanium Company Bargaining Unit
Employees Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the RMI Titanium Company Bargaining Unit Employees Savings and Investment Plan (the Plan) at December 31, 1996 and 1995, and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by the Employee Retirement Income Security Act of 1974. The Fund Information in the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for benefits of each fund. Schedules I and II and the Fund Information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PRICE WATERHOUSE LLP

Pittsburgh, Pennsylvania
May 30, 1997

RMI TITANIUM COMPANY

BARGAINING UNIT

EMPLOYEES SAVINGS AND INVESTMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 1996 AND 1995

<TABLE>
<CAPTION>

	1996	1995
	-----	-----
<S>	<C>	<C>
Investments, at fair value:		
Fidelity Magellan Mutual Fund.....	\$ 5,029,544	\$4,285,185
Fidelity Advisor Income and Growth Account.....	75,456	35,222
CIGNA Stock Market Index Account.....	186,766	51,162
CIGNA International Equity Account.....	136,512	82,282
RMI Titanium Company Common Stock Account.....	1,185,574	307,740
Participant Loans Receivable.....	340,964	280,127
	-----	-----
	6,954,816	5,041,718

Investments, at contract value:		
Connecticut General Life Insurance Co. Guaranteed "Long-Term" Account.....	3,925,419	3,365,602
Net assets available for benefits.....	\$10,880,235	\$8,407,320
	=====	=====

</TABLE>

The accompanying notes are an integral part of these Financial Statements.

4

RMI TITANIUM COMPANY

BARGAINING UNIT

EMPLOYEES SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION FOR THE YEAR ENDED DECEMBER 31, 1996

	CIGNA GUARANTEED "LONG-TERM" ACCOUNT	FIDELITY MAGELLAN MUTUAL FUND ACCOUNT	FIDELITY ADVISOR INCOME & GROWTH ACCOUNT	CIGNA STOCK MARKET INDEX ACCOUNT	CIGNA INT'L. EQUITY ACCOUNT	RMI TITANIUM CO. COMMON STOCK ACCOUNT	PARTICIPANT LOANS RECEIVABLE	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Employees' contributions...	\$ 566,322	\$ 549,387	\$28,152	\$ 25,266	\$ 34,604	\$ 50,430	\$ --	\$ 1,254,161
Investment income:								
Interest and dividend income.....	199,138	719,291	--	--	--	--	26,700	945,129
Net appreciation (depreciation) in fair value of investments.....	--	(200,845)	5,276	23,107	9,882	830,375	--	667,795
Transfers.....	199,138 40,583	518,446 (213,474)	5,276 6,806	23,107 88,350	9,882 9,744	830,375 1,858	26,700 34,137	1,612,924 (31,996)
Total net additions.....	806,043	854,359	40,234	136,723	54,230	882,663	60,837	2,835,089
Participant's benefits paid.....	(246,226)	(110,000)	--	(1,119)	--	(4,829)	--	(362,174)
Total net deductions.....	(246,226)	(110,000)	--	(1,119)	--	(4,829)	--	(362,174)
Increase in net assets.....	559,817	744,359	40,234	135,604	54,230	877,834	60,837	2,472,915
Net assets available for benefits:								
Beginning of year.....	3,365,602	4,285,185	35,222	51,162	82,282	307,740	280,127	8,407,320
End of year.....	\$3,925,419	\$5,029,544	\$75,456	\$186,766	\$136,512	\$1,185,574	\$ 340,964	\$10,880,235

</TABLE>

The accompanying notes are an integral part of these Financial Statements.

5

RMI TITANIUM COMPANY

BARGAINING UNIT

EMPLOYEES SAVINGS AND INVESTMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION FOR THE YEAR ENDED DECEMBER 31, 1995

	CIGNA GUARANTEED "LONG-TERM" ACCOUNT	FIDELITY MAGELLAN MUTUAL FUND ACCOUNT	FIDELITY ADVISOR INCOME & GROWTH ACCOUNT	CIGNA STOCK MARKET INDEX ACCOUNT	CIGNA INT'L. EQUITY ACCOUNT	RMI TITANIUM CO. COMMON STOCK ACCOUNT	PARTICIPANT LOANS RECEIVABLE	TOTAL
<TABLE>								
<CAPTION>								

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Employees' contributions...	\$ 553,957	\$ 426,192	\$17,793	\$ 6,680	\$ 22,502	\$ 15,720	\$ --	\$1,042,844
Investment income:								
Interest and dividend income.....	179,535	245,061	--	--	--	--	22,055	446,651
Net appreciation in fair value of investments...	--	870,436	6,361	13,425	9,479	90,296	--	989,997
	-----	-----	-----	-----	-----	-----	-----	-----
	179,535	1,115,497	6,361	13,425	9,479	90,296	22,055	1,436,648
Transfers....	101,400	(108,625)	(35,402)	(10,280)	(52,145)	9,478	51,578	(43,996)
	-----	-----	-----	-----	-----	-----	-----	-----
Total net additions (deductions)...	834,892	1,433,064	(11,248)	9,825	(20,164)	115,494	73,633	2,435,496
	-----	-----	-----	-----	-----	-----	-----	-----
Participant's benefits paid.....	(177,396)	(221,702)	--	(563)	--	(1,006)	(40,329)	(440,996)
	-----	-----	-----	-----	-----	-----	-----	-----
Total net deductions...	(177,396)	(221,702)	--	(563)	--	(1,006)	(40,329)	(440,996)
	-----	-----	-----	-----	-----	-----	-----	-----
Increase (decrease) in net assets...	657,496	1,211,362	(11,248)	9,262	(20,164)	114,488	33,304	1,994,500
Net assets available for benefits:								
Beginning of year.....	2,708,106	3,073,823	46,470	41,900	102,446	193,252	246,823	6,412,820
	-----	-----	-----	-----	-----	-----	-----	-----
End of year.....	\$3,365,602	\$4,285,185	\$35,222	\$ 51,162	\$ 82,282	\$307,740	\$ 280,127	\$8,407,320
	=====	=====	=====	=====	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these Financial Statements.

6

RMI TITANIUM COMPANY
BARGAINING UNIT EMPLOYEES SAVINGS AND INVESTMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996 AND 1995

NOTE 1--SUMMARY OF ACCOUNTING POLICIES:

ACCOUNTING METHOD

The financial statements of the RMI Titanium Company Bargaining Unit Employees Savings and Investment Plan (the Plan) use the accrual method of accounting.

USE OF ESTIMATES

Generally accepted accounting principles require management to make certain estimates and assumptions relating primarily to the fair market value of certain Plan assets. For additional information on the fair market value of Plan assets, see "Investments" below.

INVESTMENTS

Available investment options are as follows:

Fidelity Magellan Mutual Fund Account (a mutual fund)
RMI Titanium Company Common Stock
Connecticut General Life Insurance Company Guaranteed "Long-Term" Account (guaranteed investment contract)
Funds managed by CIGNA or Connecticut General Life Insurance Company, a wholly-owned subsidiary of CIGNA:
Stock Market Index Account
Fidelity Advisor Income and Growth Account
International Equity Account

Investments in the Fidelity Magellan Mutual Fund and RMI Titanium Company Common Stock are valued at fair market value based on published quotations. The guaranteed investment contract is valued at contract value, which approximates market value, and includes approximately \$106,000 of assets as of December 31,

1996, which will be allocated in accordance with participants chosen investment elections in effect at the time the funds were withheld. Security transactions are recorded as of the settlement date. All CIGNA managed funds are valued by CIGNA based on the published quotations of the underlying investments within each of the funds and reflect current market value. Security transactions are recorded as of the settlement date.

FUNDING

The Plan is funded by contributions from the participating employees of RMI Titanium Company (the Company). The costs of administering the Plan and the trust are borne by the Company.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

NOTE 2--DESCRIPTION OF PLAN:

GENERAL

The Plan Sponsor is RMI Titanium Company (the Company). The Company is a successor to entities that have been operating in the titanium industry since 1958. The Company's operations are conducted primarily in one business segment, the production and marketing of titanium metal and related products.

7

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering full-time union represented employees who are at least 21 years of age and have one year of service. Effective July 1, 1996, eligibility was amended to at least 21 years of age and three months of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

CONTRIBUTIONS

Participants may contribute from 1% to 15% of salary through payroll deduction. Pretax contributions are subject to annual limitations as prescribed by law (\$9,500 in 1996). Contributions are directed by the participants into any one or all of the investment options. Participants may change their elections of investment funds by calling the recordkeeper directly or by completing a new enrollment and change form and submitting it to the employee benefits department at least 15 days in advance. Participants are 100% vested in their accounts at all times.

PAYMENT OF BENEFITS

Participants or their beneficiaries are entitled to the full current value of their account in the Plan upon:

- Retirement;
- Termination of Employment with the Company;
- or Death

Participants may also make written application to the administrator for withdrawal of all or a portion of their account balance for certain limited situations qualifying as financial hardships under Internal Revenue Service guidelines in effect at the time of withdrawal.

PARTICIPANT LOANS RECEIVABLE

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to 50% of the existing account balance. Loans are treated as a transfer (from) the investment fund to the Participant Loans Receivable fund. Loan repayment terms range from one month to five years and are secured by the balance in the participant account. Loans bear interest at a rate commensurate with the current market rate when made. Loans made in 1996 bear interest at 8.75%. Interest rates on loans made prior to 1996 range from 8.75% to 15.00%. Principal and interest are paid ratably through monthly payroll deductions. Repayments are transfers to the investment funds (from) the Participant Loans Receivable fund.

TRANSFERS

Transfers represents net inter-plan and inter-fund transfers.

ADMINISTRATOR

The Plan's administrator is the Company's Retirement Board. The Board establishes rules of procedures and interprets the provisions of the Plan.

TERMINATION PROVISION

The Company anticipates the Plan will continue without interruption, but reserves the right to discontinue the Plan at any time. In the event that such discontinuance results in the termination of the Plan, the Plan provides that each participant shall be fully vested with the amount in his/her individual account which includes earnings on the participant's contributions. The individual accounts of the participants shall continue to be administered by the administrator, or be distributed in a lump sum to the participants, as deemed appropriate by the administrator.

8

NOTE 3--INCOME TAXES:

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated April 30, 1996, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan administrator believes that the Plan is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan financial statements.

NOTE 4--RECORDKEEPING

Individual participant account balances, allocation and investment options are maintained by CIGNA based on enrollment and payroll information supplied by the Company.

NOTE 5--SUBSEQUENT EVENT

Effective February 1, 1997 the Company changed the Plan Recordkeeper from CIGNA to Fidelity Investments. Concurrently, new investment options in Fidelity managed funds were made available to plan participants. Existing balances in CIGNA managed funds were transferred to the Fidelity Fund most closely matching the stated investment strategy. The RMI Titanium Common Stock investment option was retained.

9

SCHEDULE I

FORM 5500

ITEM 27A--SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

RMI TITANIUM COMPANY

BARGAINING UNIT EMPLOYEES SAVINGS & INVESTMENT PLAN

<TABLE>
<CAPTION>

(a)	(b) IDENTITY	(c) DESCRIPTION OF INVESTMENT	(d) COST	(e) CURRENT VALUE
<S>	<C>	<C>	<C>	<C>
--	Fidelity Investments.....	Fidelity Magellan Mutual Fund Acc't	\$4,601,651	\$ 5,029,544
*	Connecticut General Life Insurance Company.....	Guaranteed "Long-term" Account	3,925,419	3,925,419
*	Connecticut General Life Insurance Company.....	Stock Market Index Account	154,911	186,766
*	Connecticut General Life Insurance Company.....	Fidelity Advisor Income and Growth Account	68,002	75,456
*	Connecticut General Life Insurance Company.....	International Equity Account	118,746	136,512
*	RMI Titanium Company.....	RMI Titanium Company Common Stock Account	318,115	1,185,574
--	Participant Loans.....	Interest Rates High 15.00%, Low 8.5%	N/A	340,964
			TOTAL:	\$10,880,235

</TABLE>

* DESIGNATED PARTY-IN-INTEREST

10

SCHEDULE II
FORM 5500

ITEM 27D--SCHEDULE OF REPORTABLE TRANSACTIONS

RMI TITANIUM COMPANY
BARGAINING UNIT EMPLOYEES SAVINGS & INVESTMENT PLAN

A. PURCHASES:

<TABLE> <CAPTION>							
IDENTITY OF PARTY INVOLVED	DESCRIPTION OF ASSETS	NUMBER OF TRANSACTIONS	PURCHASED PRICE	SELLING PRICE	COST OF ASSET	CURRENT VALUE	NET GAIN OR (LOSS)
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Fidelity Investments	Fidelity Magellan	32	\$1,670,548	N/A	\$1,670,548	\$1,670,548	N/A
Connecticut General Life Insurance Co.	Guaranteed "Long-Term"	49	923,982	N/A	923,982	923,982	N/A
B. SALES:							
Fidelity Investments	Fidelity Magellan	67	N/A	\$528,779	\$ 493,456	\$ 528,779	\$35,323
Connecticut General Life Insurance Co.	Guaranteed "Long-Term"	68	N/A	576,030	576,030	576,030	N/A

11

SCHEDULE III
FORM 5500

ITEM 27B--SCHEDULE OF LOANS OR FIXED INCOME OBLIGATIONS

RMI TITANIUM COMPANY
BARGAINING UNIT EMPLOYEES SAVINGS & INVESTMENT PLAN

<TABLE> <CAPTION>							
IDENTITY OF OBLIGOR	ORIGINAL AMOUNT OF LOAN	AMOUNT RECEIVED DURING REPORTING YEAR		UNPAID BALANCE AT END OF YEAR	DESCRIPTION OF LOAN	AMOUNT OVERDUE	
		(D) PRINCIPAL	(E) INTEREST			(H) PRINCIPAL	(I) INTEREST
-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Norman Chambers Plan Participant	\$10,000.00	\$ -0-	\$-0-	\$ 8,139.00	Participant loan @ 15% secured by participant's account balance	\$ 8,139.00	\$-0-
William E. Kowalczyk Plan Participant	\$11,500.00	-0-	-0-	\$10,910.09	Participant loan @ 15% secured by participant's account balance	\$ 10,910.09	-0-
Joseph M. Migliozi Plan Participant	\$1,150.00	-0-	-0-	\$ 1,110.56	Participant loan @ 15% secured by participant's account balance	\$ 1,110.56	-0-

</TABLE>